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NEWS SUMMARY

GENERAL

Austerity Dutch budget for Brazil

Brazil's Government has approved an exceptionally tough austerity budget for next year.

the key agriculture and export sec-tors of the economy, a big source of public spending, is to be eliminated. The moves are likely to gratify Bra-zil's foreign creditors, while deepening the three-year-old domestic re-

Two new banknotes, for Cr 10,000 and Cr 50,000, are to be introduced. The present biggest one Cr 5,000 is worth just over \$5. Page 12

IRA bomb: 4 held

London police detained four people during the investigation of the IRA bombing outside Harrods store on Saturday.

Moroccan attack

The Polisario Front, fighting Morocco for control of Western Sahara, said 25,000 Moroccan troops launched a big offensive in the ter-ritory with tanks and aircraft.

Curb on meetings

Kuwait banned meetings of over 20 people without official permission, in the wake of fatal bomb attacks earlier this month.

Sudan rebels hit

Sudan sald government troops broke a rebel siege of a southern town. Nasir, and inflicted heavy losses on the insurgents, who fled towards Ethiopia.

Bombs in Turkey

Two bombs exploded in istanbul and Ankara, injuring five people, and another was defused in Izmir. An Iranian and a Syrian were arrested, and Premier Turgut Ozal said the blasts seemed simed at targets connected with Middle East fighting.

Extradition order

- Alleged terrorist Luciano Petrone must return to Italy to stand trial for murdering two Rome police-men, the London High Court ruled.

N-leak warning

British Nuclear Fuels may face prosecution over radioactive dis-charges into the sea from its Sellafield (Windscale) plant in porth England. Page 5

Argentine arrest

Two leaders of an outlawed terrorist group returned to Argentina to announce the group's dissolution. One, former Cordoba governor Ricardo Obregon Cano, was arrested by airport police. Page 4

Anti-Mafia warrant

Itoly's "casino blitz" against people accused of helping the Mafia to launder funds has brought an arrest warrant for Sig Mario Andri-one, President of the Valle d'Aosta regional government.

Dissident sentenced

Hungarian dissident Gabor Demszky was given a six-month suspended sentence for assaulting two policemen. He denies the charge and is to appeal.

Wellington wins

Belgian Finance Minister Willy de Clercq rejected a budget amendment that would have stopped a

BFr 100,000 (\$1,750) annulty paid to
the British Duke of Wellington

The page 13.

Page 13.

PolLY PECK, fast-growing British citrus fruit and packaging group, is to raise up to £5m (\$51m) of the page 13. since his ancestor won the buttle of

BUSINESS

reject Taiwan sub deal

 DUTCH Government yesterday refused to approve the sale of four ere submarines to Taiwan, decid-Virtually all subsidised credit for ing this would have "serious coase ing this would have serious consequences" for its relations with China. The sale of two submarines three years ago precipitated a crisis in Sino-Dutch relations which has still not been settled. Parliament is expected to approve the decision to refuse an export licence. Page 12

• LONDON: Equities continued higher, the FT Industrial Ordinary index gaining 2.2 to a record 772.9. Report, Page 23; FT share informa-tion service, Pages 24-25

 TOKYO shares also reached new peaks. The Nikkei Dow Index rose 89.72 to 9,717.65, its second consecutive record. The Stock Exchange index added 3.74 at 712.27. Report. Page 19; leading prices, other ex-changes, Page 22

WALL STREET: Dow Jones industrial average closed 13.01 up at 1,254.98... Report, Page 19; full share listings, Page 20–22



• DOLLAR firmed in La though lower U.S. estimates than expected of lourth-quarter GNP drew it back from its peaks. It closed higher at DM 2.7715 (DM 2.766), FFr 8.46 (FFr 8.4475), SwFr 2.214 (SwFr 2.205) and YZ34.9 (YZ34.7). In New York it closed at DM 2,7690; SwFr 2,2130; FFr 8,455 and Y234.75. Its trade-weighted in-dex was 130.9 (130.8). Page 29

• STERLING rose 35 points in London to \$1.4225, and was higher at DM 3.945 (DM 3.9275), FFr 12.03 (FFr 11.985). SwFr 3.15 (SwFr 3.13) and Y334.25 (Y333.25). In New York it closed at \$1.4250. Its trade weighting was 82.3 (81.9). Page 29

● GOLD rose 50 cents in London to \$378.375. It added 50 cents at \$378.75 in Zurich and 75 cents at \$378.75 in Frankfurt. In New York, the Comex December settlement was \$377.8 (\$379.4). Page 28

SWISS economy showed its first improvement since early 1982.
 Third-quarter GDP rose 0.3 per cent

in real terms over the same period last year. · EEC inflation slowed last month

to an annual 8.1 per cent, against 8.4 per cent in October. West Ger-many's was 2.6 per cent, Greece's 19.8 per cent JAPAN seems likely to pass Brit-

ain as the biggest foreign investor in Australia, new figures suggest. Japanese investment in 1982-83 rose 71 per cent to A\$2.67hn (\$2.4bn). Page 3

• TOYO KOGYO, maker of Mazda cars, reported record unconsolidated recurring profits of Y45.2bn (\$193m), up 4.4 per cent, for the year, it is to be renamed Mazda Motor Corporation. Page 13

• ZAHNRADFABRIK PASSAU. West German transmission maker is to join International Harvester of the U.S. in making transaxles for tractors in France and the UK.

group, is to raise up to £5m (\$7m) of long-term capital. Page 16; Lex, Page 12

AT&T buys 25% of Olivetti to forge major link

BY ALAN FRIEDMAN IN ROME

American Telephone and Telegraph (AT&T) will spend \$260m to acquire 25 per cent of Olivetti, Europe's leading data processing equipment company, as part of "an industrial, commercial and financial alliance" which is to involve joint product development, distribution and technological co-operation.

first four years, after which the U.S. lowed to increase its holding to 40

AT&T bas agreed to purchase \$250m of Olivetti products in the initial 12 months, which start in mid-1984. Sig Carlo de Benedetti, chairman

of Olivetti, yesterday described the new partnership as "the only alliance which can compete with IBM on a world level. He had ruled out a link between Olivetti and another European company because "there are no European partners who could strengthen us in terms of products and technology in the way

Sig de Benedetti said at the start of negotiations a year ago AT&T

independence and European identi group - the world's largest telecomity. "If everything works the way munications company - will be al- we expect it to, there is no reason why AT&T will not go to 40 per cent in four years time." AT&T's 25 per cent shareholding

will be achieved by the issue of 100m new Olivetti shares, bringing the total number of shares to 430m. The De Benedetti family's stake in Olivetti, held through CIR, a family holding company, will be diluted from 20 to 18 per cent.

AT&T is paying LA,300 a share which represents a premium of last night the alliance with Olivetti nearly 13 per cent over Olivetti's closing share price on the Milan bourse last night, L3,811. In afterhours trading the price was pitched

The AT&T deal places a market value of more than 51bn on Olivetti

The nine-year agreement, announced yesterday, restricts but this was refused on the ground AT&T's stake to 25 per cent for the that Olivetti had to retain its own delti. He said Olivetti's 1983 turnover would also be a record, at more than L3,600bn (\$2.1bn).

That compares with a forecast of more than \$56bn of revenue for AT&T as it is now constituted in 1984 and predicted oet income of

On January 1, however, the telecommunications group will be split up, with AT&T itself retaining long-distance telephone network and international interests.

Mr Robert Sageman, president of It expects the world inflation rate to average about 5% per cent during the period, with a slight pick-up in AT&T International, said in Rome "marks the beginning of a very warm and long-term relationship." The two companies would comple

Continued on Page 12 Olivetti teams with a color Page 10; Lex Page 12

Beirut truck-bomb raids on French, U.S. troops

BY NORA BOUSTANY IN BEIRUT AND OUR CORRESPONDENT IN TEL AVIV

THE FRENCH and U.S. cootingents in the Lebanese multinational peacekeeping force came under renewed attack yesterday in another spate of truck bombings.

France's 3rd paracoute regiment last night, killing at least one paratrooper and wounding 10 others and almost demolishing a three-storey building. Many civilians were wounded. Five minutes earlier, another

bomb killed at least four people at a hotel said to bave been used by offduty U.S. marines. The ground floor of the Marble Tower Hotel was wrecked by the explosion. A marine who escaped the blast said none of bis colleagues bad been in the hotel at the time.

explosions, with dozens injured. Witnesses reported that a truck bad drawn up outside the French base and the driver leaped out moments before the explosion. The French have come under in-

At least 14 people died in the two

few days in Beirut. Last week two have left Tripoli, the military cam-french soldiers were killed, the paign will be aimed at the Syrianfirst casualties since 58 died in the October attack on their headquar- forced his evacuation. A huge blast rocked the area ters. Yesterday morning a French We will continue to let Syria tround the headquarters of position in West Beirut was hit by know that as long as terrorist gangs rocket and small arms fire.

Earlier yesterday, Israel launched an air strike deep inside Lebanon and announced that its war against Palestinian guerrillas would continue unabated after the evacuation of Mr Yassir Arafat's forcea from Tripoli.

The Israeli aircraft raided an Iranian-backed Shia militia base in territory controlled by Syria oear Baalbek, in the northern Bekaa

The base is reported to be a training centre for a group led by Mr Hussein Moussawa. The Israelis say the group was almost certainly responsible for the car bomh attacks that destroyed Israeli, French and American bases in Lebanon earlier this year.

Defence Minister Mosbe Arens

creased pressure during the past said that now Mr Arafat's guerrillas supported Palestinian rebels who

in Lebanoo in areas under Syrian control are not destroyed, we will hit terrorist targets there as we did this morning," he said.

The statement fits in with the U.S.-Israeli policy of adopting a tougher line with Damascus. Israeli officials bave dismissed Mr Abu Musa, leader of the Palestine Liberation Organisation rebels, as a Syrian puppet. Mr Hosni Mubarak, the Egyptian

President, raised the possibility yesterday that be might shortly meet Mr Arafat. The ship carrying the Palestinian leader and two other vessels were due to arrive at Port Said late yesterday before passing through the Suez Canal on their way to North Yemen.

Editorial comment, Page 10

BL freeze on truck projects hits Cummins engine venture

BY MARK MEREDITH, SCOTTISH CORRESPONDENT, IN EDINBURGH

U.S. engine group.
Leyland, subsidiary of the stateowned BL motor vehicle group, has
halted capital expenditure pending a review of its manufacturing oper-

Among the projects affected is a £30m (\$42m) programme to build a new diesel engine, developed by Cummins, at Leyland's Bathgate plant, near Edinburgh. The freeze has aroused fears that the project could be cancelled and threaten the 1,800 jobs at the Scottish plant.

Under the terms of a joint proramme announced last year, with Cummins, Levland was to produce a new generation of engines for medium trucks, called the Family One

LEYLAND TRUCKS of the UK bas the engines and Leyland was to sion was "literally fighting for sur-

yesterday it bad not beard from Leyland about any freeze in the plan. Mr Euan Macfarlane, managing director of Cummins at Darlington, North-east England, insisted that the collaboration was going

Leyland yesterday confirmed that the freeze on total investment had been ordered, but refused to give further details of what it claimed was an internal communications exercise.

News of the capital investment

freeze was given in a staff newslet-ter by Mr Les Wharton, managing director of Leyland Trucks, the tone series, at Bathgate from 1985 on- of which was similar to a message wards. The two companies were al- he delivered during the summer so to have swapped components for when he said Leyland's truck divi- out job losses

frozen all capital investment, rais-ing questions about the future of a joint project with Cummins, the gines. An output of 40,000 a year land's "recovery plan" – instituted

gines. An output of 40,000 a year land's "recovery plan" - instituted from Bathgate was forecast.

Cummins' UK subsidiary said review of the truck operations - had review of the truck operations - had stalled. The plan involved a 27 per cent, or 4,100, cut in jobs on top of the reductions of 7,000 in 1979-80 and 3,000 in 1981. Mr Jimmy Swan, the trade union

convener at Bathgate, has called for a meeting with Mr Georga Younger the Secretary of State for Scotland to discuss the implications of the freeze. Because of the weakness of the export market, the loss of the engine cootract could mean the eod of Bathgate," be said.

Mr Swan claimed that in August Leyland had given a commitment that it would go ahead with the Cummins engine project and an in-itial tranche of El0m was allocated. He said the company had not ruled

Europe U.S. recovery will lag steady but in world below forecast upturn - OECD

By Max Wilkinson, Economics

THE PROSPECTS for the world economy bave improved substan-tially but the recovery in Europe is still weak and uncertain, the Parisbased Organisation for Economic Co-operation and Development (OECD) says in its latest forecast,

published yesterday. monthly outlook is substantially more optimistic than it bas been for some time, although it draws attention to potentially severe difficulties relating to the feebleness of recovery in Europe and the U.S. budget deficits.

For the 24 member countries in the developed world, the OECD is expecting economic growth to accel erate from 2% per cent in 1983 to 3% per cent next year, but to slow again to an annual rate of 21/2 per cent in the first six months of 1985.

the beginning of 1985. The organisation believes that recovery will be heavily conceotrated in the U.S. and Japan, with a growth rate next year reaching 5 per cent in the U.S. and 4 per cent in Japan.

In Europe, the picture is much bleaker. The UK will lead the way with growth of only 2% per cent next year, followed by West Germany and Italy each with growth of 2 year cent France by contract is 2 per cent. France, by cootrast, is expected to remain in recession with zero growth next year and on-ly a very weak recovery starting in 1985.

The OECD says the recovery in Europe will not be enough to pre-veot unemployment from rising further - from 10% per cent of the workforce this year to 12 per cent in the first six months of 1985.

Even in Japan, the rate of growth will not be fast enough to prevent some small rise in memp But further reductions in unemployment in the U.S. will hold the OECD average at 9 per cent of the workforce throughout the forecastlog period. That suggests that some 33m of the 386m workforce in the OECD area will be unemployed in

Mr Kjell Andersen, acting head of the OECD economics and statis-tics department, said the OECD growth rate over the last year was Continued on Page 12

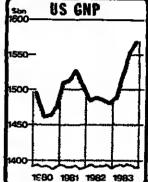
The U.S. engine for higher growth, Page 2; Editorial comment, Page 10



eased by the Commerce Department vesterday. The department's preliminary estimate put growth in the country's gross national product (GNP) at an annual real rate of 4.5 per cent in the October to December period less than the 6-7 per cent that had been forecast by Mr Dooald Regan, the Treasury Secretary, and a num-ber of private economists.

The figure was nevertheless taken as good news by the Reagan Ad-ministration as it approached the election year of 1984. The White House saw it as confirming President Ronald Reagan's claim that 1983 had been a banner year for the U.S. ecocomy. "Confidence is in the air and with good reason," be told a nationally televised news conference on Tuesday night.

The growth rate was down from a revised 7.6 per cent in the third quarter and an exceptional 9.7 per ceot in the second. But Mr Regan said it nevertheless constituted a pleasant surprise," in that interest rates should be marked down by



money market operators to reflect reduced expectations of inflation. Wall Street stock markets wel-comed the Commerce Department's forecast, and the announcement brought a rapid recovery in bond prices from falls suffered late on Tuesday after disappointment with the terms of the Treasury's refunding programme. The Dow Jones industrial index closed 13.01 up at 1.254.98

The politically sensitive consum-Continued on Page 12 U.S. aid cut blow to Zimbabwe, Page 3

Zaire set to receive \$350m IMF credit

BY DAVID MARSH IN PARIS

THE PARIS CLUB of leading West- try's precarious international payern creditor nations yesterday ments position. agreed to reschedule more than 51bn of debt owed by Zaire, opening the way for an urgeotly needed

the past eight years - enables the maturity of 11 years, compa debt-ridden African nation to stretch out its repayments of gov-ernment loans in 1984, and arrears accumulated in 1983, over an unusually generous 11 years.

The 1MF made the debt

for the authorisation of the planned standby credit, which is now expected to be formally approved before the end of the week.

It follows an austerity programme introduced by the Zaire Government in September, includ-ing an 80 per cent devaluation of the currency and cuts in public spending, to try to redress the coun-

The debt accord was reached after two days of talks between Zaire government officials and represeo-\$350m standby credit from the in-ternational Monetary Fund (IMF). tatives of the principal creditor na-tions in the Paris Club. It provides for a five-year grace period and a with a period of around eight years normally approved for debtor nations.

The agreement reflects the special problems of the Zaire economy, badly hit by the decline in copper rescheduling agreement a coodition and cobalt prices in recent years, and the stagnation of agricultural production.

The IMF loan, which is for a period of 16 months, was agreed in principle last week. The last IMF programme, involving an extended three-year credit of SDR912m (\$939m), was suspended because of the Government's inability to keep down its budget deficits.

Notice of Redemption

Aktieselskapet Borregaard

8%% Bonds due 1986

NOTICE IS HEREBY GIVEN, pursuant in the provisions of the Trust Deed dated as of January 25, 1971, under which the above designated Bonds are issued, \$480,000 aggregate principal amount of such Bonds of the following distinctive numbers has been drawn by lot for redemption on February I, 1984 [herein sometimes referred to as the redemption date.]



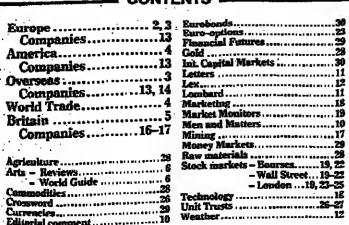
The Bonds specified above are to be redeemed for the Sinking Fund (a) at Citibank, N.A. (formerly First National City Bank), Principal Paving Agent under the Trust Deed referred to above, Receive and Deliver Department, 5th Floor, 111 Wall Street, New York, New York or, (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt: Main, London, Luxembourg, Paris and Kredietbank S.A. Luxembourgeoise in Luxembourg. Payments at the offices referred in in (h) above will be made by United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on February 1, 1984, the date on which they shall become due and payable, at the reaption price of 100 percent, of the principal amount thereof, together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Bonds will cease to accrue, and, upon presentation and surrender of such Bonds with all coupons appertaining thereto maturing after the date lixed for redemption, payment will be made at the said redemption price out of funds to be deposited with the Principal Paying Agent.

Coupons due February 1, 1984 should be detached and presented for payment in the usual manner.

AKTIESELSKAPET BORREGAARD

December 22, 1983

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Telecommunications: Olivet- Technology: Apple hopes for Mexico: why unity is the East-West trade:

ti teams with a colossus....10 a big 'Mac'...................18 Economic Viewpoint: hope, Editorial comment: PLO; OECD: the U.S. engine for Lex: Olivetti; Polly Peck: Israel: U.S. dollar: the Lombard: the play-actor's keyword 4 Survey 7–9

Wage-earner funds law pushed through **Swedish Parliament**

BY KEYIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

SWEDEN's minority Social (£34.8m) a year in fresh Democratic Government yester- capital derived day pushed through legislation sources, a new 20 per cent tax to set up collectively-owned on "real" corporate profits (le wage-earner funds, which are after inflation and after an intended to give the unions a allowance of either SKr 500,000 growing share in the ownership or 6 per cent of the wage bill)

a divisive issue in Swedish be channelled in politics for nearly 10 years and pension system. yesterday'a vote is unlikely to clear the air. The three opposi-tion parties are all committed

The parliamentary victory, by a finy majority of six, was made possible in the formula of the supply of the supply

by a finy majority of six, was made possible in the face of united opposition from the 1990 by which time the funds Conservative, Liberal and Centre parties, by the abstention of the 20-strong Communist bloc.

Wage-earner funda have been a divisive issue in Swedish be channelled into the national pension system.

Every fund will be able to buy a stake of up to 8 per cent in an individual corporation to doing away with them and but, together with the existing the issue is expected to dominate the run-up to the 1985 election.

Five investment funds will be cent in any of Sweden'a big

created early next year with instructions to invest in Sweden's leading multinational by the Government, will include at least five union representatives.

Each fund will receive up to a maximum of SKr 400m in any of Sweden's leading companies, Mr Ulf Adelsohn, leader of tha Conservative Party, warned during the maratbon 18-bour parliamentary debate.

Smuggled U.S. computer moved to secure area

BY OUR STOCKHOLM CORRESPONDENT

THE sophisticated U.S. com- returned to the U.S. thus foiling system seized last month a major industrial espionage by Swedisb customs authorities was yesterday officially classi- Mr Weiberger said, fied as "military equipment." It The Swedish Government. is to be moved from the southern Swedish port of Helsingborg to a secure "military

failed vesterday, bowever, to answer a direct request from Mr Casper Weinberger, the U.S. Defence Secretary, and Mr Donald Reagan, the Treasury Secretary, for the return of the

computers to the U.S.

The four containers seized in Helsingborg were part of a consignment bound from South bad shown that the computers signment bound from South Africa via West Germany and Sweden to the USSR, the U.S. Ministers claimed this week.

The contents of the three other containers selzed earlier ground down to make identification Hamburg had already been tion more difficult, be said.

attempt by the Soviet Union, sensitive neutrality policy is facing a severe test, and acced-ing to the U.S. request could undermine its attempts to deal evenhandedly with both super-

Mr Mats Hellström, the Foreign Trade Minister, said yesterday, however, that Sweden would not be used as "a transit land for illegal traffic."

were part of a system "espe-cially designed for military cially designed for military use." Markings on the com-

N-power electricity 'cheaper than coal'

By David Marsh in Paris

NUCLEAR POWER stations being built in Europe and Japan will produce electricity in 1990 around 30 to 75 per cent more cheaply than com-peting coal-fired plants, according to an OECD study. The report for the first time gives detailed compari-son of capital and fuel cycle

costs of nuclear and coal stations throughout the main industrialised countries. It says nuclear power is expected to have a very clear economic advantage for baseload electricity production except in parts of the U.S. and Canada where cheap coal is available nearby.

Nuctear plant competitive-ness, however, is vulnerable to several factors. An increase In nuclear capital costs of 50 per cent, a two-to-three fold increase in nuclear fuel cycle costs, or a drop in the elear plant load factor to below 50 per cent would eliminate the advantage over a coal plant operating at a 70 per cent load factor. Coal power stations sited close to the main U.S. coal fields would be cheaper to

Unemployment in EEC at 10.9% of workforce

By Ivo Dawnay in Brussels THE TOTAL number of unemployed in the European Community, excluding Greece, rose to 12.2m by the end of last month—10.9 per cent of the labour force.
Community statisticians say

the 1.3 per cent rise since October represents a slight real increase in unemployment after seasonal adjustments. Compared to the same month in 1982, the overall total has risen an estimated

6 per cent.
The UK has had the smallest increases in unemployment ovec the past 12 months at 0.7 per cent, followed by France at 2.9 per cent. cent, Belgium at 6.6 per cent and West Germany at 7.6 The Italians suffered a 10 per cent rise over the period and the Irish and Luxembourgeois topped the scale with increases of 17.4 and

France lowers bank lending ceilings Slow growth

BY DAVID HOUSEGO IN PARIS

tightening of monetary policy announced on Monday.

Under the limits announced by the Bank of France, the larger banks dispersing more than FFr 15bn (£1.25bn) a year in credit, will have to cut back their normal lending by 21 per cent at the end of 1984 as comexchange. pared with December 1983.

This year, under the French encodrement system that rations the credit banks can extend, the next year.

A politically-charged affair involving possible misuse of French state funds sent to Switzerland to pursue a mysterious foreign oil exploration venture under the previous right-wing government broke into the open yesterday.

M Henri Emmanuelli, state secretary at the Budget Minis-

secretary at the Budget Minis-try, publicly accused a former top judicial official, M Bernard

Beck, of destroying a govern-ment document inquiring into the transfer abroad hetween

1978 and 1981 of around FFr 500m by the state-controlled oll

company, Elf Aquitaine.
The affair centres on Elf's investment in an oil exploration

project.
M Emmanuelli told Parlia-

ment yesterday that Elf bad transferred abroad a total of FFr 1bn to finance the study, of

wblch a part had since been re

The case, which M Emmannelll labelled yesterday as a
"giant fraud." has clear political implications. The Elf study
was carried out in great
secrecy. The necessary anthorisations for transfer of funds
were thought to have been

were thought to have been carried out at the highest level during the administration of

President Valery Giscard d'Estaing and M Raymond

Barre,
M Emmanuelli said the cash
had been transferred to Switzerland in the name of com-

panies based in Panama, Lich-

enstein and the New Hebrides

an inquirfy into the affair by M Back, former head of the

He termed the destruction of

covered.

claim

NEW CEILINGS bave been im- larger banks were given an in- The new limits are intended. But after this year's perposed on bank lending in crease in their credit to enforce the more restrictive mitted growth of 3 par cent in France in line with the encodrement cellings of 3 per monetary growth targets consumer lending, banks next cent. This was reduced to 2.5 per cent in June as a result of the Government' new austerity measures. Excluded from the encadrement limits, are lending for exports and housing as well as advances made in foreign

> For banks dispersing less than FFr 15bn in credits, no increase in their normal lending operations will be permitted

(cash and readily withdrawable deposits) next year of 51-61 per

Government's priorities, bank lending in support of exports

monetary growth targets consumer lending, banks next announced on Monday which year will be held to zero provide for an expansion of M2 growth in consumer credit Likewise their possibilities of escaping the credit ceilings by lending against funds they have raised in bond issues are being

the banking system to the public will be allowed to grow by 12 and private sectors is thus beper cent next, or at the same ing slowed down to around 81 pace as in 1983, and loans ceil- per cent next year from the 17 ings for bousing are also being per cent year-on-year rata at the

dustry is encouraged by oigns that export markets are con-

tinuing to recover. West German manufacturers ex-ported 211,900 cars last month, 8 per cent more than in Novem-ber last year.

more than in the same

Truck production continues to

But after this year's per in Hungary's 1984 plan HUNGARYS economic growth next year will continue to be slow, according to the draft 1984 economic plan. National income —roughly equivalent to GNP—

predicted

reduced Overall credit expansion by

The acutal achievement to the end of October, bowever, was

is to expand 1.5 to 2 per cent compared with planned growth

of 0.5 to 1 per cent this year.
Industrial production next
year is to rise 1.5 to 2 per cent,

Personal consumption is to remain at this year's level which was supposed to have declined from last year's but which rase instead because of earnings in the "second economy." • The first trial in a decade of a dissident in Hungary began

Production, too, is well above a year ago. More than 351,000 cara rolled off assembly lines last month, 14 per cent more than tha poor level of the previous November. Since the beginning of this year, 3.57m cars have been turned out, 2 per cent more than in the same or a dissigner in Hungary began yesterday. Mr. Gahor Demazky, editor, publisher and distributor of the ABC underground publication, was charged with assaulting two policemen. Mr Demszky'a lawyer said he had only tried to retrieve personal papers taken in September during a search of his car. Mr Demszky was said to have been beaten and hospitalised for

Italy releases Bulgarian in Pope plot

By Anthony Robinson SERGEL ANTONOV, the Bul-SERGET ANTONOV, the Bulgarian airline representative accused of complicity in the plot to kill. Pope John Paul, mainly on evidence supplied by convicted Turkish terrorist Ali Agca, was freed from a Romeprison vesterday. Rome magistrates explained they had acceded to his lawyers' request for release on health grounds but placed him under house arrest instead.

In: Miscow the Tass news-

In: Miscow the Tass news-agency welcomed the release as Mr A conov's arrest, which raised questions of KGB complicity in the papal assassina-tion attempt, was a "sordid manoeuvre", a provocation carried out on CIA instruc-

flation if monetary policy is

relaxed or alternatively to an excessive demand for credit in relation to the available savings

Moreover it cautions that efforts to reduce future U.S. deficits would have a deflation-ary fiscal impact on the world

economy. It says that such a tightening of U.S. fiscal policy

might put downward pressure on the dollar which would depress tha competitiveness of other countries exports to tha U.S. and to other markets where they were competing with U.S. exports.

A lower dollar would thus

tend to weaken demand and output in countries other than the U.S. while tending to increase inflationary pressure in the U.S. itself.

Much would therefore depend

of interest rates."

W. German car output levels off 1.3 per cent growth. Agricultural output is expected to remain in the 1982 level or to expand by 1 per cent. Farm production fell this year because of a poor narvest. PRODUCTION in West buoyant demand and pro-dustry is encouraged by oigns year because of a poor narvest. Proportion in West buoyant demand and pro-dustry is encouraged by oigns. French oil fraud

Germany appears in have levelled out after making strong hursts of recovery earlier this year. It has shown no increase since September on a seasonally adjusted basis, according to the German Automobile Industry Association (VDA). Output of cars bas been one of the main forces behind the

country's economic recovery this year, after two years of recession. Sales on the domestic market have surged after declining for four years.

The VDA said yesterday, bowever, that domestic demand and production had settled down

lately, though at a much bigher level than a year ago.

The levelling off has not been felt across the board. Prestige car makers, such as Daimler-Benz, bave still been enjoying

duction. Ford recently introduced short-time working for 3,500 employees — 7 per cent of its workforce — although the problem is limited to sluggish sales of Granada and Capri According to the VDA, the industry is confident that

recovery will continue provided there is no "external shock," such as a serious conflict with IG Metall, the metalworkers' union, over its demand for a 35-bour working week. The union said yesterday that period last year. it did not rule out a conflict Truck production

with employers early next year and would not be infinenced by any sign of a levelling off in car

tion, seasonally adjusted, may bave reached n plateau, the in-

present o beadache, although manufacturers report signs of a gradual revival in demand. West German plants produced. Although total car produc-ion, seasonally adjusted, may ave reached n plateau, the in-

Minister's Flick role played down

THE BONN Economics Ministry resterday played down the responsibility of Count Otto Lambsdorff, its Minister, for the controversial DM 800m (£204m) tax boliday granted the Flick concern. Count Lambsdorff faces court proceedings on charges of taking bribes from the company.

In a declaration to the Ministry's employees distri-buted yesterday Dr Otto Schlecht, the State Secretary, said Count Lambsdorff has personally decided on only two of 10 requests by the company for tax breaks on reinvestment of capital gains.

follow up the public prosecu- dorff abould remain at least tor's recommendations and open until the court decides about Lambsdorff and four others. According to Dr Schlecht, the public prosecutor says there are grounds to suspect to Flick on the investment of that Count Lambsdorff and his predecessor, Herr Hans realised from the sala of Friderichs, now charmal of Dalmler-Benz stock in 1975 Dr Schlecht's efforts to in-

sulate his minister from the tax decisions follow a fighting statement from Count Lambsdorff on Tuesday saying be would remain in office as the

the Dresdner Bank, could have taken by officials. On only been influenced in the grant of two of the ten investment protax holidays by cash payments posala made by Flick was Count Lambsdorff called into adjudi-

Dr Schlecht, who was him-self involved in evaluating the Flick requests for tax relief, said that the company's files on the discussions with ministry

of capital gains. Charges were unfounded. ChanThe Bonn district court will cellor Helmnt Kohl has let it files were sequestered by the decide next year whether to be known that Count Lambs public prosecutor. Government's body which checks public accounts, as an abuse of authority" OECD ECONOMIC OUTLOOK

U.S. recovery provides engine for higher growth in developed world

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE WORLD economy has improved more rapidly than expected this year and the outlook is for further improved ment, the Organisation for Economic Co-operation and Development says, in its latest assessment, published yester-

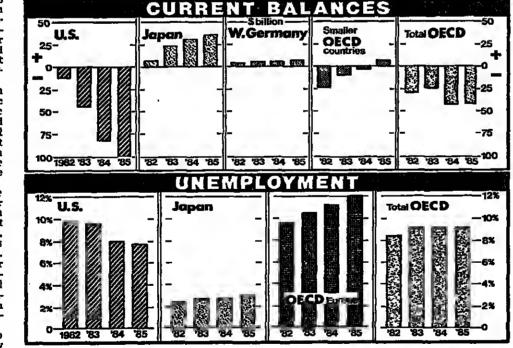
The Paris-based organisation says in its December Economic Outlook that overall economic activity in the developed world may have grown at an annual rate of 21 per cent in the first half of this year, about half a percentage point faster than the OECD was predicting in the At the same time, the average inflation rate has fallen rather

faster than predicted to an annual rate of about 5 per cent in the year to September, although some alight pick-up is expected next year and in 1995. The OECD says that the major forces behind the recovery include the expansionary fiscal policies of the U.S. and the increases in real wealth which have resulted from lower inflation in many countries.

However, it cautions: "With

This has released extra spend-ing power in spite in 5 sluggists and hesitant by past standards."

In most of the industrialised world, the OECD says the effect of lower inflation and improved consumer confidence, has been a significant force for recovery. As the real value of people's financial assets has risen after in unexpectedly steep fall in nominal interest rates, the pro-



get deficits and inflation fears
—the recovery outside North
America seems likely to be weak
and hesitant by past standards."
In most of the industrialised
world, the OECD says the effect
of lower inflation and improved

to the recovery in the U.S."
Consequently, it says that
even if all the forecasts prove
to have been on tha pessimistic side, "it seems unlikely that growth in Europe and Japan would accelerate to rates comparable with past cyclical up-

The OECD says one of the key questions for the continuation of the recovery is the extent to which the proportion of income allocated to savings will continue to fall.

A further fall of balf a percentage point in the ratio of savings to income would probably raise world output by 1 per cent after a year or so, the OECD staff estimates.

But they find it difficult to estimate the extent to which faster economic growth would lead to a renewal of inflation. Past experience suggests that an extra 1 per cent of growth over a year or so would raise commodity prices by perhaps 2 to 3 per cent more than forecast. However, the report aays: "The overall impact on OECD inflation would probably not be very great, given the margin of slack in product and labour markets."
The report says: "Business investment hehaviour is essen-

Budget deficits analysed

THE OECD Economic Outlook the actual government deficit in any ona year.

But it comments: "It should be discussion of how large the major countries budget deficits would be if unemployment were cent of output in 1983 is thought explanations for the high level of interest rates." reduced to the lowest feasible figure. The figures are thought to vary widely between dif-ferent countries, Max Wilkinson

The "structural" part of gov-ernment deficits is calculated by the OECD to be the government borrowing which would be needed if the economy were running with full employment.

It is recognised that during a recession government borrow-ing needs will increase, partly because of the extra expendi-ture on unemployment benefit and partly because revenues will be reduced because there are fewer workers paying taxes and companies are generally making lower profits.

to be about half structural, and half cyclical. However, the federal structural deficit is thought to be about balanced by a structural surplus for the state and local sector. In Japan about three quarters of the present deficit of 34 per cent of output is identified as being structural,

but in West Germany the 3 per cent deficit is thought to be almost all accounted for by cyclical rather than structural factors. France is estimated to be in

structural balance in 1983, while tha UK would be running a budget surplus of 3 per cent of output if it had full employ-It is now estimated that the

This extra borrowing in a total general government de-recession is defined as the ficits in the OECD countries "cyclical" element of the de-ficit. The cyclical and structural elements added together give from only 10 per cent in 1979.

Much would therefore depend on the policy response of other industrialised countries. They might use a depreciation of the dollar as an opportunity to lower their domestic interest rates or to relax their fiscal policies. One beneficial effect might be a reduction in the price of oil in currencies other than dollars unless the oil price fell in sympathy with a declin-

Productivity makes strong gain but Britain likely to remain an unemployment black spot

UNEMPLOYMENT in the European OECD states is expected to continue rising throughout 1984 and 1985, and of the world's seven leading OECD states, Britain is forecast to have the highest unemployment rate through-ont that period.

The forecast says employment is likely to stabilise or increase in the U.S., Canada, Japan, Britain and several smaller OECD states and to

FINANCIAL TIMES, USPS No 190640, FINANCIAL TIMES, USPS No 190640, published deliy oxcept Sundays and holidays. U.S. subscription rates \$430.00 per annum. Sacond class younge paid at New York NY and at additional mailing offices. POST-MASTER: aond address changas to: FINANCIAL TIMES, 75 Rockeleller Ploze, NY, NY 10019. drift further downward in other European countries.
Productivity growth is expected to recover in most of the OECD area, with particularly strong gains in Europe, magnifying forecast

employment rate in 1983 (12 per cent) followed by Britain (11} per cent) and Italy (10 per cent). Britain is expected to have the worst rates in both 1984 and 1985, ataying at 11} per cent throughout the period as rising employ-

was most marked in the United Kingdom, where pro-ductivity advanced by o total of 6 per cent while real output remains slightly below the 1979 level."

Europe's strong pro-

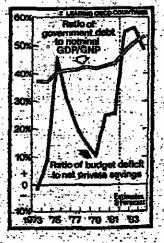
and Sweden (8.5 per cent) had single figure youth un-employment rates of the 12 OECD countries for which

data is available. Prospects for sustained recovery without resurgent In June 1983 the annual rate of increase was down to 4.9 per cent, which has remained stable until a slight rise

The OECD feels that the disinflationary effect of fall-ing commodity and oil prices has probably ended. Domestic

fundamental improvement in productivity performance.
That seems unlikely." On the other hand the risk of a renewed commodity price

surge appears remote. The OECD's main hope for con-



employment losses.
"As a result unemploywage inflation are mixed, says the forecast. "Much will depend on whether the moderate wage settlements seen since 1979 reflect a duetivity performance reflects tinning lower rates of infla-tion lies in its own very modest predictions for the with of real GNP and real ment will do no more than attempts by employers to ment will decline in North match the increase in the improve profitability in con-ditions of exceptionally low unit labour costs should con-America, remain low in Japan but increase for OECD Enrope labour force. The cumulative decline in employment since 1979 in Europe has amounted to 2.1 per cent or 3.3m people while productivity has risen time to grow comparatively slowly in the short run 28 total domestic demand diving 1984 and 1985. as a whole." By the end of 1985 the OECD predicts a lasting change in inflation expectations or o temporary costs of external finance. recent wage settlements and preliminary wage claims remain modest and there has Youth unemployment con-tinnes to worsen. By mid-1982 total of 33m people ont of work in its area, of which more than 20m will be in Europe, compared with 18m ont of the total 32.5m in the response to post-war record unemployment." "Only if the recovery in OECD economic activity been a brisk recovery in labour productivity growth. youth unemployment rates were around 40 per cent in Spain, 30 per cent in Haly, and more than 20 per cent in France, Britain and Canada, Only Jopan (5.5 per cent) by 4.6 per cent during the period, nearly twice the rate of growth of real gross proves substantially stronger than forecast would the risks of a wage-led re-acceleration of inflation appear significant The rate of increase in OECD consumer prices has fallen steadlly since 1980, when the 12 month rate hit "In the medium term, how-ever, lower inflation will require yet lower nominal domestic product. current year.
In the leading seven states, "The divergence between over the forecast horizon, Canada has the bigbest unproductivity and output trends a peak of around 13 per cent. wage increases, barring a the report says.

I£1bn investment oils creaking Irish telephone system

THE 200-year-old Irish Post established to raise funds for Office will disappear on January the development. Under the I, to be replaced by two state chairmanship of Mr Michael Office will disappear on January

I, to be replaced by two state
companies handling telecommunications and postal services. The break-up follows the recommendations of a review body in 1979. The Government had become concerned that the out-of-date, telephone system was hindering Ireland's efforts to attract high-technology

1)}

The review body recommended a Isibn (£790m) investment programme over five years, to be managed by a new telecommunications company,

The Government accepted the recommendations and moved quickly to implement them. Some 12760m has already been spent over the past three years but three changes of govern-ment in that period meant that the awesomely complicated legislation needed was not

passed until this year.

The chief executives appointed to run the new companies...

To the Irish public, the key question is when will the tele-phone waiting list (still two years in piaces) disappear. For BTE, the priority must be the business user and the provision of data lines is seen as vital. By the end of next year, half of Irish exchanges will be digital.

Sweden and C. I. Alcatel of auch technology could be France. Irish Telecommunica exported to other, lower-income ions Investments Limited was countries.

Smurfit a leading businessman, it has raised 15348m in Government-guaranteed loans and hopes to become involved in bond issues and tap Institutional funds.

BTE does face some serious problems, however. With assets of I£1.5bn, it has received, in Mr Byrnes's view, only balf the capital equity from the Government that it would ideally need. It must take over the debts on past investment, which was often piecemeal and will remain uneconomic. There is also a history of rivalry and restrictive practices among the different union of the different union. union groups.

Then there is Dublin. The city is the fastest-growing in Europe, and the growth bas often been haphazard. It is quietly accepted that telephor will not be readily available in some of the new areas of Dublin for the foreseeable future. BTE wants to introduce company—have had to re-fight who need a telephone can have the battles each time a new one at a price. In the long re-minister took office. the telephone lines are.

Charges, which are markedly above those in Britain, are unlikely to become much cheaper, given the costs of tha investment programme and the small size of the market.

A further 1£200m has still to of providing telephone services the spent. Major suppliers so far which would cost less then conhave included L. M. Ericsson of such technology could be Mr Byrnes is studying ways

Italian regional president accused of embezzlement

BY ALAN FRIEDMAN IN ROME

TTALY'S month-long "casino in form and substance." At the blitz against bankers, casino same time, magistrates bave employees and local government arrested five more people officials accused of beiping the blitz against bankers, casino employees and local government officials accused of beiping the Mafia to launder funds through gambling establishments has taken a new turn with the issue of an arrest warrant for Sig Mario Andrione, president of the regional government of Valle d'Aosta in north-western

in the money laundering operations at Saint Vincent, one of tions at Saint Vincent, one or the four casino cities in northern Italy, Last month, special officers of the Guardia di Finanza (Fiscal Police) raided casinos in Venice, San Remo on the Riviera and Campione, the Italian enclave inside Swiss

territory. The Vaile d'Aosta president is believed to be missing and the warrant against him, which accuses him of embezzlement, describes bim as "an absconder

Swiss GDP rises slightly

THE SWISS economy has shown its first modest improvement since early 1982. Government figures point to an increase of 0.3 per cent to an increase of 0.3 per cent in real terms in gross domestic product (GDP) for the third quarter of this year compared to the corresponding period of 1982.

The Government report says this report says

this reflects an overall rise in demand. This was particularly marked in the case of private consumption on the domestie market, up by 2.1 per cent over last year.

At the same time, exports of goods and services recorded their first increase for more than a year—though the rise of 3.1 per cent was still well below the 5.1 per cent increase in visibles and invisibles imports. per cent over last year.

The official economic studies working party expects a buildings.
further gradual recovery in the coming months.

buildings.

As a result, an old building collapses almost every week.

visibles imports.

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from chemin-de-fer tables even before checking the figures presented by croupiers. The latest arrests bring to

around 50 the number of people detained in what the police describe as an important crack-Sig Andrione, a Christian Democrat, was to have appeared in Turin this week to testify about his alleged involvement in the money laundering overal. The investigation, which bas

involved more than 2,000 police officials and magistrates, may shed further light on the laundering of millions of pounds laundering of millions of pounds of Masia earnings from kiduappings and drug dealings. Both are major industries in Italy, as was shown again this week by the shipment of the severed ear of Giorgio Calissoni, who, together with his mother Anna (beits to the Bulgari jewellery fortune), is being beid for ransoom.

Portugal sets rent rise curbs

By Diana Smith in Lisbon COMMERCIAL RENTS in Por-tugal will be inflation-indexed from next year under a law passed this week.

Towards the end of each year tha Government will set a figure slightly below annual inflation by which landlords may increase rents annually on commercial premises. Inflation this year will

top 25 per cent.
The new law repiaces the former Government's freeing of former Government's freeing of commercial rents. That led to chaos: many small traders had paid as little as Esc 100 (55p) a month for decades and were then crippled by sudden rent increases of several bundred or even several thousand per cent. Fortugai's archaic domestic and commercial rent laws, allowing successive generations to inherit rented premises without paying more, have deterred out paying more, have deterred landlords from keeping up

End bar on blacks, urge S. African mine chiefs

LEADERS OF South Africa's mining industry have urged the Government to speed the abolition of the last remain-ing legal obstacle to the advancement of black workers in the mines.
In their annual review, the

In their annual review, the chairmen of Anglo American's four Orange Free State mines say that negotiations to scrap provisions in the Mines and Works Act reserving key skilled jobs for "scheduled persons." defined in the act as whites, have dragged on for two years. They said that "as yet there has been no significant advance on this Issue. It would now seem appropriate to remove this discrimination by legislation."

The Government said in a

The Government said in a White Paper in 1981 that it was in favour of dropping these provisions, provided employers and white trade unions could agree on measures to protect white mineworkers' job security. It said that the parties involved should try to reach a com-premise "within a reasonable period of time."

period of time."

The ultra - conservative white litine Workers' Union fears that by allowing blacks into jobs presently reserved for whites, it will tose its considerable (though diminishing) bargaining power over wages and other working conditions. Despite working conditions. Despite the present deep recession in South Africa, the mining

South Africa, the mining industry continues to experience a shortage of skilled manpower in some categories. Among the jobs included in the "scheduled person" provision in the Mines and Works Act are overseers, miners with blasting duties, engineers and winding engine drivers.

Biacks are gradually moving into other skilled jobs on the mines. Anglo American Mines indentured their first black apprentices this

Mozambique talks unlikely to ease tension By a Correspondent in

THE HIGH-LEVEL meeting between South African and Mozambican officials held in Swaziland on Tuesday is unlikely to succeed in easing simmering tensions between the two countries, it was thought in Johannesburg

yesterday. Hr Pik Botha, the Senth African Foreign Minister, con-firmed on his return to Pretoria that discussions with the Mozambicans centred on "the security situation in southern Africa." Mr Botha was accompanied by General Magnus Malan, the Defence Minister, and Mr Louis Le Grange, the Minister of Law and Order. The Mozambican

and Order. The Mozambican delegation was led by Mr Jacinto Soares Veloso, Minister of State in President Samora Machel's office.

The meeting appears to have been set up during Mr Botha's recent visit to Portugal and other European capitals, and follows mounting pressure or Soath Africa. ing pressure on South Africa to curtail its increasingly evert support for the right-wing Mozambican Resistance Movement (MNR), which has caused considerable disrup-tion to the economy.

Mozamblque has shown signs recently of moving closer to the western camp, apparently in the bope of increased economic aid.

South Africa is probably willing to rein-in the MNR and increase commercial links with Manuta, provided it examples to the south of the sout with Mapute, provided it car-obtain assurances of tighter Mozamblean control over African Nationalist Congress (ANC) activities in Mozam-

Judgment postponed JUDGMENT in the treason trial of the former comman-der of the Simonstown naval base, Commodore Dieter Gerhardt, and his wife has been postponed to Wednes-day, December 28.

Aridor (below) and the



The economy is being unofficially dollarised, writes David Lennon

Dollar-wise Israelis shun shekels

a secondhand tennis racquet are all listed in dollars.

"Only \$77,000 for this iovely four-room flat," proclaims one him anything about the con-

Most companies moved into the dollar age long

ago. The president of one conglomerate said more

THE Israeli Cabinet recoiled in horror at the proposal to replace the shekel with the U.S. Har, and the Finance Minister lost his job. But the borror does not extend to the Israeli people. If you are paying a babysitter or a cleaning woman, only an hourly rate quoted in dollars

When Mr Yoram Aridor, the former Finance Minister, proformer Finance Minister, pro-posed making tha dollar legal tender to wipe out shekel infla-tion, the Cabinet rejected the idea because politically it smacked of a loss of sovereignty, and economically it would have robbed the Government of the power to print money to cover its budget deficits.

But whether it is officially approved or not, Israel is increasingly moving over to the dollar as the only stable yardstick of value in an economy where rampant inflation daily erodes the worth of the shekel.

Although prices are now generally quoted in dollars, Israelis have to carry out the actual transaction in ahekels, the only legal tender. If you don't know today's rate for the dollar, you can be sure that the babysitter or the cleaning woman will. The current joke is that the

predominantly green colour of the newly-issued 1,000 shekel banknote bas finally made the greenback" legal tender. Anyone seeking evidence that flat or an office, the price will

cern's performance in shekels.
"I simply can't understand anyvilla can be yours for only \$225,000," announces another.

a secondhand tennis racquet are

The bullders have been the leaders in the field of dollarisa-tion, and for the past three years have been listing pro-perty prices only in dollars. More recently the car importers have followed suit. You may beve to pay in

shekels, but the contract will include a clause holding you lieble to any devaluation of the last payments.

sbekel between your first and

than a year ago that there was no point in asking him anything about the concern's performance in shekels. "I simply can't understand anything in shekels," he said with a dismissive wave of his

Most companies long ago moved into the dollar age. The

thing in shekels," he said with a dismissive wave of his hand. A dwindling few patriots still quote the price of their second-band cars in shekels, but if they fail to sell the vehicle, the shekel price will be increased when advertised the following week in line with its depreciation against the dollar.

The acceleration in the yearly Inflation rate, now nearly 170 per cent has led to a deepening of the phenomenon and it has spread to entirely new areas.

thee dollar has become the allpervasive measure of value has
only to giance at the advertisements in any daily Hebrew
newspaper. The price of a new
bouse, a boliday abroad or even
bouse, a boliday abroad or even
second and tarnis recover are common for companies to pay their senior executives salaries linked to the dollar, but generprivate arrangement.

> Now, companies are openly advertising a dollar salary, and for skilled workers as well. The dollar sign is ubiquitious among the situation vacant advertise-

Professionals and those, like babysitters, providing services, charge almost exclusively in dollars. No dentist cites a shekel rate for his treatment and few doctors in private practice bave resisted Israel's

economic reality. The Ministry of Industry and Trade says it is illegal for shops to quote their prices in dollars, but many shop windows display only doilar price tags. Those that don't, such as grocery stores and supermarkets, employ full-time staff whose sole task is to go around the sheives sticking on new price labels. Most tins of peas gci a new price tag each week.

The average Israeli company institution and individual has decided that embracing the dollar is the only way to ensure price stability in any trans-action. After all, who could place their faith in a "green-back" like the new 1,000 shekel note, when it jost aimost 5 per cent of its value within the first During the past couple of two weeks of being issued?

jects and manufacturing recently and is in any case Australia's biggest trading part-

ner. Japanese investors have also been attracted by relatively

Portfolio (share) investment

and Institutional loans by foreign Interests was A\$170m higher at A\$7.43bn.

On Tuesday, the Labor Government in Canberra an-

nounred a relatively soft line on foreign investment policy.

saying it would not require an increase (from 50 to 51 per

high Australian interest rates.

U.S. aid cut blow to Zimbabwe

WASHINGTON'S decision to cut Harare bad been warned to ex- worried that the aid cut is likely its economic aid to Zimbabwe in pect lower quotas in 1984. the 1983-84 fiscal year to \$40m from the \$75m originally requested will mean further severe reductions in import

Business leaders in Harare. reacting to the State Department announcement, said they feared there would be a sharp reduction in the U.S. commodity import programme, totalled \$59m in 1983. which

The signs are that, in the next year, this programme will be cut to not much more than \$30m. The impact on the Zimbabwe economy will be compounded by the fact that, even loan and there is always the before the U.S. decision was possibility of extra food aid.

DR MAHATHIR MOHAMAD,

the armed forces in a move which will consolidate his posl-

tion after his bltter constitu-tional confrontation with the

The top three army generals, the chief of the air force and the chief of the police have either been prematurely retired

or asked to go on study leave in

The new army chief is Gen Ghazali Che Mat, former direc-

tor of military intelligence, who replaces Gen Zain Hasbim, known for his pro-Royalist

The new deputy army chief is Lt-Gen Hashim Mohamed Ali, who is Dr Mahathir's brother-

He replaces Lt-Gen Janfar Ministry.

'Positive' U.S. response

BY CHRIS SHERWELL, SOUTH-EAST ASIA CORRESPONDENT

THE U.S. has responded "positively" to Thailand's request for 16 F-16 fighter bombers, Air potent combat aircraft yet made. It costs \$15-20m, depending on the military "extras" supplied with it.

His remarks, made in Bangkok, followed a receot visit to the U.S. and a request to the Pentagon from the Royal Thai Air Force.

According to General Arthit Kamlang-ek, Thailand's Army chief, the aircraft are needed to counter a threat posed by Soviet-made MiG-23 fighters operating from neighbouring vietnam.

Thas F-16 is made by General

Dynamics of Fort Worth, and is reckoned to be one of the most potent combat aircraft yet made. It costs \$15-20m, depending on the military "extras" supplied with it.

The Thai purchase would probably be financed by e credit package under the U.S. foreign military sale programme. Defivers would begin in 1987.

According to the Bangkok Press, the U.S. has previously turned down a Thai request for the F-16C model, which is used by the Israelis. A lower grads version—presumably the A or B series—would, therefore, probably be on offer.

to Thai F-16s request

country's Sultans.

Britain.

sentiments.

Malaysian Prime Minister, resbuffled the top ranks of

Mahathir reshuffles top

BY WONG SULONG IN KUALA LUMPUR

ranks in Malaysian forces

Shafle.

Import allocations to the private sector are running at about 70 per cent of their peak post-independence levels reached in Further cuts in quotas will bave adverse ramifications for output and employment

Tha U.S. Is easily Zimbabwe's leading aid donor, having provided \$234m sinre independence - 95 per cent of which bas been in the form of grants.
There are bopes, however, that the actual aid cut will be less serious than seems likely because Harare and Washington are negotiating a \$25m bousing possibility of extra food aid. Businessmen in Harare are

Prime Minister Hussein Oun. Lt-Gen Wan Ismail becomes

the new army corps commander.

Although be was deputy to Hussein Onn for more than five

When Dr Mahathir came to

transferred to the Foreign

to beve edverse implications for U.S. investment in Zimbabwe, since State Department officials have said that political dif-ferences "in the international arena" influenced Washington's thinking. There bad been no Zimbab-

wean reaction yet, but Mr Robert Mugabe, the Prime Minister. who yesterday criticised the Third World policies of the World Bank and the International Monetary Fund, is likely to react bitterly to the U.S. decision, accusing President Reagan's Administration of seeking to use aid as a weapon to force non-aligned countries to toe the U.S. line in international diplomacy.

China aims for 240.000 vehicle

output in 1984

PEKING — China has set Onn, 50, a brother of former target for 1984 motor vehicle production of 240,000 units Mr Li Cang, general manager of the China Automotive Hussein Onn for more than five years. Dr Mahathir was effectively excluded from the security portfolios. He often felt insecure, especially when the powerful Home Ministry, which deals with Communist subversion, was solidly under his rival. Tan Sri Gbazali Industry Corporation, was quoted by the New China News Agency as saying.

Projected demand next year is 350,000 units and output restrictions imposed because of a shortage of petrol have been lifted, be said. Actual production in tha first

When Dr Mahathir came to power two-and-a-half years ago be quickly took charge of security matters, making himself Defence Ministry to his trusted deputy, Datuk Musa Hitam. Tan Srt Ghazali was 11 months of this year was 223,900 vehicles against fore cast 1983 domestic demand of 250.000. The annual capacity of China's

37 motor vehicle plants was put at 250,000. Mr Li said China would focus

on research and production of beavy and light-duty trucks. Reuter.

Japan poised to become Australia's biggest investor

APAN looks poised to overhaul for in Australian resource pro-Britain as the biggest foreign jects investor in Australia. Yesterday's publication by the Statisties Bureau showed that Japenese investment in Australia in 1982-83 rose by 71 per cent to A\$2.67bn (£1.68bn), However, total capital inflow in 1982-83 was A\$840m lower than in 1981-1982 at A\$9.19bn.

UK investment in Australia last year totalled A\$2.78bn, against A\$2.69bn in 1981-82, Third was the U.S. at A\$962m (down 39 per rent), followed by the Asean bloc at A\$929m (down 46 per cent) y the Asean bloc at A\$929m cent) in local equity participa-down 46 per cent). cent) in local equity participa-tion in key areas such as oil and gas, minerals and farming. (down 46 per cent).

Tokyo, Japan

S % DM Convertible Bearer Bonds of 1979/1987 — Security Index No. 464 564 — Call for Redemption on March 1, 1984

In accordance with § 4 (1) of the Terms of Issue notice is hereby given that all outstanding convenible bonds of the above usus will be redeemed prematurely at 101 % of the principal amount on March 1, 1964.

In accordance with § 9 (1) of the Terms of Issue the con exercised until February 20, 1984, inclusive.

The conventible bonds outstanding and due for repayment will be redeemed at 1011 v. % of the principal amount on March 1, 1984 upon presentation of the bond certificates together with all unmatured interest coupons. commissions of the second seco

and their branches,
b) outside the Federal Republic of Germany at.
Normura Europe N.V., Amsterdam
Banque Indosuez, Paris
Baring Brothers & Co., Limited, London
Samva Baris, (Underwriters) Limited, London
S.G. Warburg & Co., Lid., London
by a DM-cheque drawn on a German Bank or by credit to a DM-account,

with due observance of the foreign exchange regulations if any, of the relevant country.

The convertible bonds will casse to bear interest at the end of February 29, 1984. Interest coupons due on March 1, 1984 will be paid as usual. in accordance with the Terms of Issue the amount of missing unmatured interest coupons, if any, will be deducted from the amount to be repaid.

Chujitsuya Co., Ltd.

This announcement appears as a matter of record only.

Manufacturers Hanover **Leasing Corporation**



is pleased to announce the

\$6,000,000

medium term financing

for

Caribbean Utilities Company Ltd.



November, 1983

New York

Helaba Frankfurt

Hessische Landesbank -Girozentrale-, London Branch, wishes all its customers and friends a merry Christmas and a successful 1984.

Instead of sending Christmas cards, tre hove donated to
The Malcolm Sargent Cancer Fund for Children

Moroccan debt talks hit snags

NEGOTIATIONS on rescheduling that part of Morocco's foreign debt which is owed to international banks, and which were expected to be concluded before the end of the year, have run into difficulties.

run into difficulties.

The 10-bank steering committee, headed by Citibank and Banque Nationale de Paris, which is negotiating on behalf of about 200 banks, has offered the Kingdom to reschedule \$482m worth of principal repayments falling due between September 1983 and December 1984 over seven years with 1984 over seven years with three years' grace and with a margin over the interbank rate

of 1 per cent The Moroccans are bolding out for a lower margin, between 14-15 per cent over seven years with a four-year grace period. This maturity and grace period

of government to government debt owed by the North African country which falls due over the same 15-month period.

SDR 300m 15-month loan last September 16, following acceptance by the Moroccan Government of austerity measures which included a sharp cut in subsidies on basic foodstuff prices and a reduction in government expenditure this year and next. Of this total only SDR 30m has so far been

The board of the International Monetary Fund agreed to grant of national unity, beaded by the the Kingdom of Morocco a manager of Morocco's state

While exports by nearly 15 per Morocco has so far been cent to just over \$1bn.

would coincide with the terms scrupulous in paying the Morocco has obtained from the interest it owes to the banks, Club of Paris which, at the end of October, agreed to reschedule Sper cent of the \$1.5bn worth next year. International banks are, however, worried at the

One reason for it may have been the coming to office two weeks ago of a new government phosphate company, Office Cherifien des Phosphates (OCP), M Mohamed Karim

Meanwhile, Morocco's visible trade deficit during the first eight months of the year declined by about one quarter to \$925m. Imports declined by 8.5 per cent to just under \$25m

Airbus Industrie in plea for UK pledge on A-320

AIRBUS INDUSTRIE yesterday recession in the world airline launched its strongest-ever industry.

appeal for a firm Britisb com- Of the three main governmitment to help finance the planned A-320 narrow-body Air-

M Bernard Lathiere, president of the four-nation consortium, said: "It would be ad isaster for Britain" if the UK government did not provide backing for

The cali comes as UK ministers are nearing a decision ministers are nearing a decision—now expected for January—on whether, and hy how much, to support a request for £400m launching ald for the proposed airliner by British Aerospace, the UK shareholder in Airhus.

Chiding UK Coverament M. Lathlere said: "Many aircraftics who have compared the A-320 programme with the Angio-French Concorde project, M Lathlere said the new plan was Europe's "last chance " in aircraft collaboration to face up to Boeing, the world's leading airframe manufacturer.

Airbus is pressing for firm government hacking for the project to enable it to be launched by early 1984, allowing the first hy early 1984, allowing the first informed."
aircraft to be delivered by M Lathiere was in charga of spring 1988. The A-320 launch bis government's handling of has already been held up for the Concorde project between more than two years by the 1968-75.

full cash aid. M Lathiere

needed the A-320 to complete its range of available aircraft and to prevent the inter-national airline industry being "at the mercy" of one supplier. Referring to last month; decision by the U.S. McDonnell-

British Aerospace wins £14m Swiss Army order

BRITISH Aerospace's Dynamics Croup, through its Bracknell Division, has won a f14m contract from the Swiss Army time and reducing the risks of for provision of the computer, system software and spares for the Fargo artillery fire control system.

Fargo has been developed by U.S. worth over \$200m

ments involved, France is already giving wholehearted financial backing while Germany is supporting the project in principle but is waiting for a UK decision before granting

decision by the U.S. McDonnell-Douglas company to pull out of its projects to hulld new "high technology" airliners, M. Lathlere said: "Many airlines consider us to be the last obstacle between a normal market situation and a mono-

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

Soviet trade surplus with Comecon rises

By Leslie Colitt in Berlin

THE SOVIET Union's cumulative trade surplus with the six other East European Comecon countries rose to 13bn transfer-able (TR) roubles (\$17.5bn) in the first nine months of this year. This was more than double Moscow's trade surplus with its partners in all of 1980.

A report on Soviet energy supplies to Eastern Europe by the German Institute of Economic Research (DIW) says this energy-induced surplus, which it considers a Soviet credit, is the reason Moscow cut its oil detiveries to Eastern Europe by 10 per cent beginning in 1982.

Despite this drop, the increase in Soviet oil and gas prices this year caused Moscow's surplus with Eastern Europe to exceed that in all of last year hy 2bn TR rouhles at the end of September.

DIW says evidence indicates that a change in the formula for calculating the price of Soviet energy deliveries to Eastern Europe was made in 1981 from a sliding five-year average of world prices to a three-year sliding average.

Using the three-year formula, it notes, the average price for Soviet oil in Eastern Europe this year rose to the equivalent of \$31.72 per harrel, or 10 per cent more than the average

Soviet oil will cost Eastero Europe \$31.83 a barrel next year and is expected to drop to \$30.67 in 1985, it says,

The Institute notes the fiveyear formula gave Moscow a 50 per cent gain in its terms of trade with Eastern Europe between 1975 ond 1982. But it was also an indirect subsidy to the East Europeans who did have to pay Opec oil prices. It estimates gross savings to estimates gross savings to Eastern Europe in this period at 25hn TR roubles

the Fargo artillery fire control system.

Fargo has been developed by BAe Bracknell, in conjunction with Zellweger Uster AG, of Switzerland, who will be prime contractor for the production phase.

The system has been specifically tailored to meet the needs of the Swiss Army, which enconners extremes of climate and terrain. Fargo will be able to carry out electronically functions hitherto involving laborious calculations.

Is huying five TriStar tri-jet airliners from Lockheed of the U.S., worth over \$200m (£133m).

They are the last five TriStars thick surplus with Eastern Europe—which gets 78 per ceot of its energy from Moscow, means that Lockheed is building. The company has already said that production will cease from next year, with 250 aircraft built.

As with the existing aircraft, the additional five will all be fitted with Rolls-Royce RB-211 imports, it says, Eastern Europe—specific elements of the will be used to develop the airline's routes to Called "hard" goods to the Soviet Union which it would like to export to the West.

together and allowed the country, until its present crisis, to enjoy a long period of high and sustained economic growth.

Mexico for 54 years.

Mexicans joke that Don Fidel
is immortal. It is a national
pastime trying to work out
when be will retire, and ba has

already been commemorated with a statue.

Ontside his office in the new five-storey CTM building, well-dressed, portly trade union leaders speak in bushed tones

leaders speak in bushed tones while they wait, sometimes for hours, to see him. A PRI state governor is whisked through the group as soon as he arrives, emerging from Don Fidel's office five minutes later. No visit to Mexico City is politically worthwhile without a courtesy call on Don Fidel.

Managua has begun its most ambitious scheme since the revolution, Tim Coone writes

Nicaragua embarks on inter-ocean railway

ment has embarked on its most ambitious project aince the 1979 revolution. It plans to build an

The reason then was that the first interocean ship route, the Panama Canal was already being huilt by a U.S. company with U.S. finance, and a U.S. owned railway had been operating across the Panamanian isthmus since 1855. Gen Zelaya's proposals and his opposition to proposals and his opposition to U.S. involvement in huilding a U.S. involvement in huilding a U.S. involvement in huilding a U.S. maraguan canal—and bls courting of the Europeans to build it—led to his downfall when 400 U.S. Marines landed to support a dissenting general in overthrowing him.

The Sandinista Government has dusted off Cen Zelaya's plaus and is now proposing to build an inter-ocean raliway to link the Pacific port of Corinto with a new deepwater port being built on the Atlantic Coast at El Bluff.

in overthrowing him.

Last year, torrential rains and floods destroyed large sections of Nicaragua's aging narrow-

gauge railway system on the Pacific, and after several months of deliberations the government finally decided to rebuild the inter-ocean railway across the aystem on a standard (1,435 mm) country. It was just such a gauge and to extend it to the project, and a proposed canal, Atlantic Coast, The aim is to that helped bring down transfer goods traffic from road Nicaragua'a first nationalist to rall and shave \$20m from the leader, Gen Jose Zelaya in 1909. country's annual \$40m oil import bill, to make further savings of \$70m annually on the country's trade which presently passes through Panama, and to earn foreign

> (\$1hn) of which around half will be spent on equipment on contracts overseas. Total leogth of the route, including hranch lines, is 650 km and construclines, is 650 km and construction will begin at a rate of 50 km per year. Work on the first 20 km from Corinto to Chinandega is already under way and is expected to he completed hy early 1954. The entire first stage of Corinto to Managua is due to he completed hy 1987. Sr Jose Valdivia, the hesd of the project Profenic (Proyecto Ferrocarril de Nicaragua) sald in an exclusive interview that "the government would be well

"the government would be well

NICARAGUA exchange from international cargo traffic using the new trans-isthmus route. The project is expected to cost around 10 bn cordobas

> disposed towards foreign com-panies interested in participat-ing in a joint venture with Nicaragua to build the railway, considering the high cost involved and the shortage of foreign exchange that Nicaragua

> He added that purchasing contracts awarded on the project would most likely be ded

to the availability of trade credits. Cuba is assisting already in the building of a to the credits. concrete sleeper factory and in providing technical assistance in planning and constructing

the railway; Argentina and West Germany are apparently

steel rails for the Corinto-Chinandega section. The Soviet Union is providing steel for bridge construction.

Sr Valdivia said that the route will be a fully protected way, built to a design speed of 120 km/hr and equipped with modern rolling stock and signalling systems. The entire single-track route, once com-pleted in 10 to 15 years, is also to be electrified as new hydroelectric and geothermal energy

Profenic has been authorised by the Government to negotiate its own loans and contracts, apparently to sidestep some of the more ponderous channels of musisterial bureaucracies.

The progress of the project's first stages have advanced rapidly under direction of 200 Nicaraguan technicians and 50

But given Nicaragua's own limited resources, and the departure of many Cuban advisers, a shortage of foreign interested in selling the project in a recent interview that its first diesel electric loco-capital is likely to hamper the motives; while Spain has sold project.

Portugal hopes for £797m textile exports next year

BY DIANA SMITH IN LISBON THE RENEGOTIATION of Portugal's textile export quotas with the European economic Community and European Free Trade Association (EFTA) can mean textile exports in 1984 of Esc 150bn (£797m), according to Sr Alvaro Barreto, Trade Minister. Sr Barreto informed repre-

sentatives of Portgual's tex-tile industry, which accounts for 42 per cent of all industrial ontput, that contrary to the difficulties of 1982, renegotiation of European quotas this year had gone

Almost Portugal's textile exports go to Western Europe, British manufacturers have com-plained about strong Portuguese exports of products such as T-shirts whose manufacturing costs are below the UK's and which sell for less than British products. Portugal's textile industry is in a state of flux. Some

large, efficient factories with rapid market response have developed in the last decade. But many small companies with old-fashioned management and little knowledge of markets or quality control are in financial trouble. The small companies make up the hulk of the industry.

Medium-sized foreign-owned

textile factories, especially Dutch and Swedish enterprises shipping their output to their homelands, appear to be enjoying booming sales of relatively high-priced quality elothing.

Many Portuguese Govern-ments bave recognised the ments have recognised the need for reorganisation of the industry, but have shelved concrete plans successively.

EEC accession, which will bring highly diversified foreign investment and division of labour, is bound to burt the hundreds of small, under so which is the contract of the under-capitalised textile concerns running on obsolete machinery.

William Chislett meets a trade union leader whose power extends into the Government

Don Fidel, a monument to Mexican unity

EEC 'dumping' duty on choline chloride

By Paul Cheeseright in Brussels THE EUROPEAN Commission yesterday imposed a provisional anti-dumping duty for four months on sales of choline chloride, used in animal feed-stock, from Romania and East

The rate of duty is 27 per cent for East Germany and 17 per cent for Romania. The level of the duty was settled by com-pariog the import prices with average production costs in the EEC.

A complaint about low-priced sales of choline chloride was brought by the Council of Chemical Manufacturers Associations last April in line with their general policy of vigorous pressure against anything hint-ing at unfair trading practices. The European Commission found dumping margins of 77 per cent on the East German sales and 41 per cent on the Romanian sales. The market share of tha two countries went up from 19 to 25 per cent between 1980 and 1982.

Singapore companies to process Indonesian crude

BY CHRIS SHERWELL IN SINGAPORE

SINGAPORE'S oil-refining com-panies expect to process sizable new capacity coming on stream quantities of Indonesian crude in other South-East Asian counin the first quarter of 1984, con-trary to earlier fears that the trade would dry up altogether as high as 150,000-200,000 b/d with the expansion of refineries in the past, but was expected to

The news represents a boost for Singapore, whose rated refining capacity of 1.1m barrels a day makes it the third-largest refining centre in the world after Houston and Rotterdam. Exact amounts of Indonesian crude likely to be processed re-main uncertain, and could be less than the estimated 70,000-100,000 b/d handled in tha

Singapore's five refinerles bave been running below capacity this year because of a slack international market, and Shell,

last February that it expected resumes shortly.

stop slingether with a doubling of capacity to 400,000 h/d of refineries at Cilacap and Balikpapan. A third is aslo being expanded as part of an Indonesian self-sufficiency drive.

However, both-refinaries had to be shut down earlier this month, apparently because the new facilities were run up to capacity too quickly. Refined oil products destined

fourth quarter of 1983. It is for the domestic rather than thought that Indonesia may also export market soon filled the be wanting to negotiate on a storage tanks to the limit month-to-month basis, rather because demand at home than quarter-to-quarter.

The control of the control of the control of the limit month-to-month basis, rather because demand at home than quarter-to-quarter. Oil companies see the maintenance of refining trade with Singapore as a pragmatic move international market, and Shell. to avoid a repeat of this which runs by far the biggest experience once processing at operation, warned as early as the two Indonesian refineries

AMERICAN NEWS

IMF suggests less ambitious borrowing plan to Grenada

BY HUGH O'SHAUGHNESSY, RECENTLY IN ST GEORGE'S, GRENADA

THE INTERNATIONAL Monetary ments. Washington has pledged Fund has suggested to the interim \$15m in new aid. \$14.1m extended fund facility granted to the government of the late Prime Minister Maurice Bisbop in August and suspended by the IMF after the U.S. invasion should be replaced by a smaller loan.

The extended fund facility, disbursement of which was suspended by the IMF at the beginning of the month amid protests from the Grenadians, was due to be paid in equal less ambitious borrowing programme that would take into ac-Scoon's administration is receiving to give more support to the private from the U.S. and other govern- sector.

In any event, the IMF has made plain, Grenada could expect no more money from it until April next

During the four and a half years that Prime Minister Bishop's gov-ernment ruled Grenada, the island received an average of some \$30m a

tranches over a three-year period. ab and Soviet bloc countries. In suc-The IMF now wants it replaced by a cessive memoranda, the World Bank praised the economic strategies being pursued by the revolucount the assistance that Sir Paul tion, though it called on Mr Bishop

Donors included Cuba, the Soviet Uoion, Britain, Libya and other Ar-

\$4m bond for Chile murder

NEW YORK — A federal judge on Tuesday ordered Chile's national airline to secure a \$4m bond to cover the money the Chilean Government owes for arranging the car-bomb murder of the former IIS ambars.

der of its former U.S. ambassader, Sr Orlando Letelier.

Judge Morris E. Lasker
ordered that Lan-Chile Airlines,
which he said transported the
bomb materials. be put in resay that with interest, they are cevership if it fails to secure a now owed \$4m.
bond by December 27. The Chileans would not pay,

The receiver in charge of the airline would be Mr Michael

contending they are immune airline would be Mr Michael from foreign lawsuits. Lan-Chile Moffitt, who survived the attack has indicated it will appeal. It that killed his wife, Mrs Ronni maintains it is separate from

Reagan pledges further support

for Salvador

WASHINGTON - President Reagan has pledged to continue U.S. support for the Salva-dorean Government's attempt to establish democracy.

In a televised news conference on Tuesday night, he also said El Salvador bad stepped up its efforts to contain Right-wing death squads.

Mr Reagan said Mr Georga Bush, U.S. Vice-President, had delivered a message from him to Salvadorean officials earlier this month stressing the impor-tance of controlling the death squads, hlamed for killing thousands of people in El Sal-vador's civil war.

"They (the Salvadorean Government) are being assailed by radicals from both sides." the President said.

"UNITY is saving Mexico from Unity runs like a theme disaster," says Sr Fidel Velaz-quez, the 83-year-old king of the country's trade union movement. Don Fidel, as ha is be talks, his eyes hardly move the country's trade union movement. Don Fidel, as ha is reverentially called, is bimself regarded as the main unifying factor which has held Mexico that our differences with the Government do not divide us," he says, admitting that it has not been easy to persuade workers to tighten their belts and sustained economic growth. Mexican presidents come and go, but Don Fidel, head of tha Confederation of Mexican Workers (CTM), which groups over balf the 7m unionised workers out of a total labour force of 20.6m, bas survived seven presidents. The CTM is the main pillar of the Institutional Revolutionary Party (PRI) which has governed Mexico for 54 years. Mexicans Joke that Don Fidel workers to tighten their belts and take a large drop in purchasing power, to help solve Chasing power, to help solve mexico's serious debt crisis. Mexican presidents come and take a large drop in purchasing power, to help solve the Conservation of Mexico's serious debt crisis. Without the CTM's support, the Covernment could not implement its stabilisation programme with the International Monetary Fund. The situation is getting worse day by day and we do not know for how much longer we can maintain social peace." Don Fidel says.

The union leader was 10 years old during the bloody anarchy of the 1910 Mexican revolution, in which 1m people were killed. He began work as a milk roundsman and in 1923 headed the milk industry's union. After the PRI was founded in 1929, in an attempt to create insti-

tutional channels to solve the disputes between warring factions, he was instrumental in forming the party's labour sector. The PRI also has peasant and middla class wings. The CTM has atarted discussions with the Covernment over the wage increase for 1984.

Which will be announced on list understood that wages that wages are so rich they can pay for anything straight off," said an observer.

Don Fidel has no time for cannot thing of running the cannot thing of running the degree of common to being dogmatic. "We Mexicans to maintain their socialist countries where all relationship with the Government. Only in this way can pay for anything straight off," said an observer.

Don Fidel has no time for the Left, whom he accuses of common thing of running the being dogmatic. "We Mexicans to maintain their relationship with the Government. Only in this way can people are subjected to the Mexico continue to grow."



Don Fidel Velazquez . .

discuss the size of the increase because "we have learned from experience that as soon as we mentioned a figure, companies put np their prices and then do so again after the increase is

granted."

It is understood that wages

cent. "Now more than ever these things are needed." The economy was no longer creating the 700,000 new jobs needed

to satisfy entrants to the labour

market. The fierce competition for jobs is having a moderating influence on union demands. The Left accuses Don Fidel of having sold out to the Government and of allowing a corrupt aristocracy of union leaders to be in league with the private sector. Businessmen admit that they pay union leaders to "control" their members,

Don Fidel himself has a clean reputation, which may explain his popularity. It is said that he used personally to visit his bank every month to pay off a loan ha had obtsined to buy a plece of land on which to build a house. "Most union leaders are so rich they can pay for anything straight off," said an observer

ment housing and free medical care.

Don Fidel has long heen campaigning in vain for the estabishment of benefits for the unlishment of benefits for the unemployed and a 40-hour week,
which be says would increase United Socialist Party of
full time employment by 18 per Mexico. Tha PRI, he said,
cent. "Now more than ever needed more internal democracy and better candidates in order to reform itself and regain people's confidence.

He criticised state governors and influential public officials for designating candidates over the head of the PRI and imposing them in the party's middle class and peasant wings. This was causing a lot of had feeling and was losing the PRI votes.

On Fidel laughed at the widespread fears expressed by Mexican and foreign husinessmen that when he leaves the CTM there will be a Left wing shift in the movement and inter-union rivalry which could split the organisation. He has left no known successor and all his lieutenants are well over retirement age. The younger generation of official union leaders is more radical.

Montonero leaders return from exile

By David Welna in Buenos Aires TWO FORMER Peronist provincial governors who spent the last seven years in exile as heads of the outlawed Montonero terrorist group returned to Buenos Aires late on Tuesday from Brazil to announce

tha dissolution of their organisation. One of them, Sr Ricardo Obregon Cano, the former Cordona Province Governor, was promptly arrested by airport police.

The other Montonero leader, Sr Oscar Bidegain, was received at Ezeiza International Airport by about 500 Peronist youth supporters beating drums and chanting: "The blood that was spilled will never be nego-tiated."

Sr Bidegain, Governor of Buenos Aires Province under the Peronist government of 1973, said the movement was being dissolved due to what he called "the defeat of the olig-archic-military regime," a reference to the military government which relinquished power on

December 10. Ha said the Montoneros organisation will be replaced by "the authentic Peroxist party," with the deceased Eva Peron as its spiritual leader.

The Monteneros began in the The Monteneros negan in use late 1960s as a right-wing Catholic nationalist faction of the Peronist Party.

They later vered to the left and gained notoriety in the early 1970s by kidnappin senior military officers and business examinings.

ness executives.
Former President General Juan Peron encouraged the Montoneros when they worked for his return from forced exile in Spain, but later discwood the group in 1974 shortly before he

The Montonero leaders not killed by the armed forces during a bloody campaign against the Left following the

1976 military coup have been living in exile.

living in stile.

Their return has caused wide spread apprehension. Many Argentines see the organisation as part of the past that they never wish to see repeated. They blame the Montoneros for providing the military with an easy preter for the 1876 coup.

Last week President Alfonsin issued a decree ordering the indictment of four Montonero leaders on charges of marrier and incitement to violence.

Moffitt and Sr Leteller. Mrs the Chilean Government AP What went wrong with

The recently published Management Report, THE INTERNATIONAL FINANCIAL CRISIS: LESSONS OF THE BRAZILIAN CRISIS, is the most extensive report yet produced on the implications of the Brazilian problem. It presents a thorough and up-to-date analysis of this rapidly changing and complex problem, points to flaws in the inter-national financial system and describes the pressures for reform that are now building up.

the 'Brazilian Boom'?

For a brochure listing the contents and scope please contact:-The Marketing Department FT Business Information Limited 102-108 Clerkenwell Road, London ECIM 5SA

Tel: 01-251 9321 Ext. 66

Mexico stands by debt accord

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

iotention of sticking by the terms of rescheduling agree-ments for its public sector debt negotiated in principle a year

ago. The reaffirmation follows press reports in the U.S. that Mexico had asked its creditor banks, with the backing of Federal Reserve Governor Paul Federal Reserve Governor Paul Volcker, to reopen the agree-ments and renegotiate them on favourable terms. Yesterday, however, Mexico signed a further set of agreements cover-ing \$323.5m (f228m) in debt falling due this year and next

at 11 public sector entities. "The 11 agreements confirm sgaln tha commitment of Mexico to reschedule its public sector debt on the basis of restructuring principles telexed

MEXICO has reaffirmed its spokesman said after the sign-The new agreements cover the debt of industrial affiliates of the Somex financial agency. They bring to \$23bn the total rescheduling agreements signed

so far which is 98 per cent of the debt subject to rescheduling. Separate talks were continuing in New York yesterday between Mexican officials and leading bank creditors over terms of a \$4bn loan to be arranged for Mexico to cover its 1984 financing needs. Bankers denied that Mexico bad sought to reopen the rescheduling agreements at the talks but the high interest margins being charged on the rescheduling were brought up in the discus-

to international banks in Decem- Cuba is due to sign in Paris ber of 1982," a Finance Ministry today an agreement on re-

scheduling payments due in 1983 to around 150 commercial writes David Marsh in Paris.

The agreement, with a group of banks led by Credit Lyonnais, covers roughly \$130m in debt payments on medium-term loans which should have been made to banks between September 1982—when Havana halted repayments-and the end of this

Additionally, the banks have agreed to continue to extend into 1984 about \$270m in short-term credits to the Cuban Government.

The accord was hammered out in principle in meetings netween the banks and the But the signing has been held for returning up by months of legal difficulties.

Airline breaks off talks with striking pilots HOUSTON -- Continental Air-

lines has broken off negotiations with striking pilots be-cause of a demand by the union that the airline replace working pilots with returning strikers.

Representatives of the Airline Pilots Association and company officials had been meeting in Los Angeles. Continental said the talks had been making progress until the pilots' latest demand.

Tha airline claims the union is asking it to break the law. It said the Supreme Court had ruled in the case of another company that permanent em-ployees hired to replace strikers and later fired to make room for returning strikers could sue

UK NEWS

CONTRACTS & TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PÉTROCHIMIQUES (Ministry for Energy and Petrochemical Industries) ENTREPRISE NATIONALE "SONATRACH"

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS

The Directorate for Production is launching e national and international cell for tenders for the supply of:

Special Tubing Heads (Têtes de tubing spéciale). This call for tenders is intended for manufacturing companies only end excludes amalgamations, representatives of companies and any other intermediaries etc., in conformity with the provisions of the Law No. 78-02 of 11 February 1978, with respect to State Monopoly on For-178-178.

Tenders interested in this call for tenders may obtain the specifications through their embassy from SONATRACH - Direction Production - B. Chemin du Réservoir - HYDRA - ALGER (ALGIERS). Département Approvisionnement et Transports (Departement for Supplies and Transport), with effect from the date on which this notice is published, together with e remlittance in the sum of: 200 DINARS.

Offers, of which 12 copies should be prepared and sent in a double sealed onvelope, by registered post. The outer envelope should be worded as follows:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL (NATIONAL AND INTERNATIONAL CALL FOR TENDERS) No. 018/83/DAT/PRD." "A NE PAS OUVRIR CONFIDENTIEL" (DO NOT OPEN CONFIDENTIAL). The final date for submission of tenders is 50 days with effect from the date of the publication of

Any submissions received efter this date will not be accepted. Selection will be made within 180 days of the closing date of this

Prosecution may result from nuclear discharge

OFFICIALS of British Nuclear

cluding solvent and matter of higher than normal radioactivity, being discharged into the Irish Sea. He said that while it seemed

clear that there had been no breach

AN ATTEMPT by a Belfast-based

ported from West Germany re-

ceived a setback yesterday.

The Docklands Development Cor-

poration in London said it had

turned down an application to erect

Bridge Wharf on the Isle of Dogs. The plants were to have been built

on the site Lagan Cement, the Bel-

fast company hopes to use as a ce-

The application was rejected on

newer "industries of the future" to

ment import terminal.

the Isle of Dogs.

£1,000 or three months' imprisonof the authorised quarterly numeriment or both. cal limits oo the discharge of radioactivity, there might well have been breaches of other conditions.

mainland market with cemeet imply to a request for planning per-

an asphalt and tarmac plant at holding company, said he was not

Setback to cement import plan

mission to erect a 30,000-tonnes a

year cemeot import terminal and a

Mr Kevin Lagan, chairman of

cement bagging plant on the site.

White Mountain Quarries, a Lagan

disappointed at the decision. He in-

sisted that application to erect the cement terminal would go ahead in

The London stock market reacted

environmental grounds. The cornervously to news of Lagan's plans culties. Local supplies of aggregate poration said it wanted to attract which, if successful, could under are closely held and Lagan's alter-

These related to the need for ex- that the risk of barm to the public Fuels (BNFL) or the company itself may face prosecution over a series of radioactive discharges into the sea from its Sellafield plant (formerly known as Windscale) in Cum
These tended at the feet the the traction of the public that the first of that it was, and remained, extremely small. A report on the marine environmental and agricultural consequences of the discharge showed that it was for that there had not been any significant. bria, North-west England.

Sir Thomas Hetherington, the Director of Public Prosecutions, to derick Jenkin, the Environment Section whether proceedings should be a cide whether proceedings should be considered by Mr Patrick Jenkin, the Environment Section whether proceedings should be considered by Mr Patrick Jenkin, the Environment Section whether proceedings should be considered by Mr Patrick Jenkin, the Environment Section whether proceedings should be considered by Mr Patrick Jenkin the Environment Section whether proceedings should be considered by Mr Patrick Jenkin the Environment Section whether the constant of the patrick of the constant of the patrick of the patric

retary, in the House of Commons instituted and if so against whom active flotsam was still occasionally last night. He reported that a management error in the operation of the sunderstood that any prosecution would be under the Radioactive ento the public to avoid unnecessated in radioactive liquids, inoffences of consent, connivance or But it remained true that any risk neglect in allowing discharges in of contamination to the public was breach of conditions. Under the Act, the maximum penalty is a fine of Mr Jenkin said that action had al-

ready been taken to prevent any repetition of such an incident, Mr Jenkin emphasised that ex- which occurred during the washing tensive and continuing monitoring out of the plant during annua of the environment had confirmed maintenance.

Shares in Blue Circle, the market

ended the day unchanged at 95p.

A number of observers in the ce-

ment and ready mixed concrete in-

dustry are understood to be scepti-

cal about Lagan's proposals. In par-ticular, it is felt that its plan to set

up a ready mixed concrete opera-

tion in Loodon is fraught with diffi-

Pay deals remain ahead of inflation

PAY SETTLEMENTS in the pres-eot wages round are running below last year's levels but on average are still above the rate of inflation.

The Confederation of British In-

dustry's (CBI) latest survey shows that two-thirds of pay deals in the manufacturing sector since August were lower than those agreed in The CBI's monthly databank sur-

vey, which covers 185 agreements made since August, says that near-ly 50 per cent of workers settled for between 5 and 6 per cent. That compares with latest figures showing inflation running at 4.8 per cent in the year to November. Some 18.9 per cent of the deals

ootified to the CBI were for increases of between 7 and 8 per cent, while a relatively insignificant 5.4 per cent of workers got between 9

Among settlements at the higher end of the scale have been Ford and Vauxhall deals for increases be-AN ATTEMPT hy a Belfast-based It was not clear yesterday ers - Blue Circle, Rugby and RTZ distributor to break into the UK whether the same criteria would aptween 7.5 and 7.75 per cent

More encouraging for the Gov-ernment was a 2.5 per cent settle-ment at Leyland Vehicles. The CBI leader, dropped 10p during the day but closed 5p down at 420p. Rugby shares also dropped slightly but reported that 19.5 per cent of companies surveyed had agreed to in-

creases of between 3 and 4 per cent.
At the bottom end of the scale some 6.5 per ceot of workers had accepted rises of less than 2.5 per

The CBI figures, bowever, understate the rise in average earnings, since they do not include such factors as overtime and bonus paymeots, Most recent official statistics show that average earnings have been growing at an annual 7.75 per ceot.

U.S. groups may challenge N. Sea oil price strategy

tion has received broad acceptance from major operators in the North Sea for its proposals that prices re-main unchanged in the second quarter. But it seems set to face a tough rearguard action from two U.S. companies.

British Petroleum, Shell, Esso and Britoil - accounting for about half of UK production - bave all said they wish to maintain price stability on the basis of a \$30 a bar-rel reference for Breot Blend, and to avoid the risk of a collapse in the Opec price structure.

Two U.S. companies, Texaco and Chevroo, may resist strongly, making final and complete acceptance difficult to achieve. Significant to them would be the fall in the price of West Texas Intermediate crude, which is comparable with top North Sea varieties and often regarded as the U.S. reference.

• PRIVATISATION of British Steel's (BSC) ferrous ring-rolled and railway products business moved ahead yesterday. A oew company, United Ring, is to be formed and a stock exchange listing sought after agreement was reached to merge the ferrous ringrolled activities of British Steel Corporation, Woodhouse and Rixson and Inco Alloy Products.

● DU PONT is to spend £18m at its Northern Ireland synthetic rubber factory oo cooverting heating and electricity generating plant from oil

• TIGHTER controls are to be imposed by the Government on adverisemeots in the UK seeking deposits in offshore banking centres. There has been concern about possible abuses in the promotion of these deposits. The intention is to til April I.

BRITISH NATIONAL Oil Corpora- ensure that advertising is brought broadly into line with those for banking deposits in the UK.

> A BAN on overtime working imposed by mineworkers six weeks ago was having so little impact that at the present rate of output there would be coal stocks for "many years ahead" the National Coal Board said yesterday. Miners are estimated to have lost £24.5m in

• ERF, the heavy truck producer, has ahelved a plan to build in Britain 12 to 15-tonne vehicles from components supplied by Hino of Ja-pan. The project has been deferred because of the collapse in the value of the yen against the pound, Mr John Nobbs, ERF's secretary and finance director said. ERF had hoped that the vehicle would capture 10 per ceot of the market sector in Britain.

• PREMIER Consolidated Oilfields has made what it describes as an "exciting" discovery in the North Sea west of Dundee. The flow rate tested at 4,315 barrels a day was of a light crude emilar to that produced by Shell in the nearby Ful-mar field.

• REUTERS and the BBC are to carry out a feasibility study for an international television news service hy satellite and eable. BBC would provide the news pro-grommes to Reuters, which would then distribute and market the ser-

 GAS prices for domestic users will rise by 4.3 per cent early next year, but contract rates for industrial customers will remain frozen un-

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

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(Algerian Popular Democratic Republic) MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries) ENTREPRISE NATIONALE "SONATRACH"

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR

The Directorate for Froduction is launching e netional and international cell for tenders for the supply of:

Tenderers interested in this call for tenders may obtain the specifications through their embassy from SONATRACH - Direction Production - 8, Chemin du Réservoir - HYDRÁ - ALGER (ALGIERS), Département Approvisionnement et Transports (Department for Supplies and Transport), with effect from the date on which this notice is published, together with a remittance in

Offers, of which 12 copies should be prepared and sent in a double scaled envelope, by registered post. The outer envelope should be worded as follows:

I Lot of spart parts for Gas Turbines FR 5,000.

This call for tenders is intended for menufacturing companies only and excludes amalgamations, representatives of companies end any other intermediaries etc., in conformity with the provisions of the Law No. 78-02 of 11 February 1978, with respect to State Monopoly

the sum of: 500 DINARS.

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL (NATIONAL AND INTERNATIONAL CALL FOR TENDERS) No. MA 070/83." "A NE PAS OUVRIR CONFIDENTIEL" (DO NOT OPEN CONFIDENTIAL). The final date for submission of tenders is two months with effect from the date of the publication

Any submissions received after this date will not be accepted, Selection will be made within 180 days of the closing date of this

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries) ENTREPRISE NATIONALE "SONATRACH"

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS

The Directorate for Production is launching a national and international call for tenders for the supply of: I Fire Detection and Prevention System (I Système de détection

This call for tenders is Intended for menufacturing companies only and excludes amaignmations, representatives of compenies and any other intermediaries etc., in conformity with the provisions of the Law No. 78-02 of 11 February 1978, with respect to State Monopoly

Tenders Interested in this call for tenders may obtain the specifications through their embassy from SONATRACH - Direction Production - 8. Chemin du Réservoir - HYDRA - ALGER (ALGIERS). Département Approvisionnement et Transports (Department for Supplies and Transport), with effect from the date on which this nooce is published, together with e remittance in the sum of: 500 DINARS.

Offers, of which 12 copies should be prepared and sent in e double sealed envelope, by registered post. The outer envelope should be

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL (NATIONAL AND INTERNATIONAL CALL FOR TENDERS) No. MA 048/83." "A NE PAS OUVRIR CONFIDENTIEL" (DO NOT OPEN CONFIDENTIAL). The final date for submission of tenders is two months with effect from the date of the publication

Any submissions received efter this date will not be eccepted. Selection will be made within 180 days of the closing date of this

COMPANY NOTICES

MAKITA ELECTRIC WORKS, The undersigned emotives that as from 28th December, 1982 at Kas-Associatie N.Y., Spubstrant 172, Amsterdam, div.co.ne; 30 Caccompanied by an "Affidarit") of the CDRs Makita Electric Works, Ltd., will be payable with Dis. 4.98 pet Der CDR reor. 50 shs, and with Dis. 98 60 not see CDR, Nept. 1.009 shs. (div. per recurd-date 68.8.1983; gross year 9. p.sh.) after deduction of 12% Japanese tax Yen 67.85 = Dis. -68 per CDR reor. 50 shs. Yer 1.350 m Dis. 17.64 per CDR reor. 1,000 mis. Without an "Assiciati" 2015. Japanese tax Yen 90. = Dis. 1.47 per CDR reor. 58 shs., Yen 1.500 m Dis. 25.25 per CDR reor. 1,000 shs. will be deducted. m. 14th December 1983

THE BRACL CLECTRIC CORPORATION NOTICE TO 1989-1982

KOMMUNLANEINSTITUTET AKTIEBOLAG

THE NEW LONG WHEELBASE FORD TRANSITS, NOWAT LOWER PRICES.

New Ford Transit long wheelbase prices are down - all of them. Vans and chassis cabs. From a nominal payload of 1,000 kg, to the top-of-the-range 1,900 kg.

mine the delicate pricing structure native - shipping aggregate from

controlled by the major UK produc- Belfast - could prove too costly.

And not by a few pounds. By as much as £273. Prices now start at just £5.052* – yet the Transit LWB has never offered you more.

Under the bonnet, maintenance-free batteries and microwave-

timed breakerless ignition combine to cut operating costs.

The cab is more carlike and comfortable than ever Steering effort is reduced by 20%, and the overdrive option gives relaxed economy

at speed. While outside, new more aerodynamic styling further reduces fuel bills, cutting drag to saloon car levels.

The loadspace, though, could hardly be improved: up to 16.24 cu. metres is available if you put a Luton body on our chassis cab. You can save hundreds, thousands on a fleet, so see your dealer. It all goes to show that Britain can still give you more, for less.

FORD TRANSIT LWB



rice excluding VAI, member plates and delivery of a Standard 100 LWB chasses cab. Effective saving is on Transit 15-seat Custom Bus model and is a comparison with the price at 15th August, 1983, of a similarly equipped For full details see October 1983 Ford Transit brochure ref. FB 661.

Operas off the beaten track

Lully: Armide. Rachel Yakar,
Zeger Vandersteeoe, Ulrick
Cold, Ulrich Studer, etc./
Ensemble vocal et instrumental de la Chapelle Royale/
Philippe Herreweghe. Erato
STU 715302 (two records).
Ginck: Armide. Felicity Palmer,
Anthony Rolfe Johnson, Raismund Herniex, Linda Finnie,
etc./Richard Hickox. Himy SLS
1007513 (three records), also
on cassette.

100 Years of Italian Opera:
Vol. 1, 1890-1810. Eiddwen
Harriwy, Sandra Duosla in
Harriwy, Sandra Duosla in
Lully: Armide. Rachel Yakar,
Zeger Vandersteeoe, Ulrick
Cold, Ulrich Studer, etc./
Ensemble vocal et instrumenta de la Chapelle Royale/
Philippe Herreweghe. Erato
STU 715302 (two records).
Ginck: Armide libreto that was to
mark their final collaboration.
The two sets are interestingly
complementary in other ways.
Erato bas made a brutal extion of Lully's entire fourth
operate chain of Parisian masterpieces. (It was, as Ronald
Crichton has pointed out, as
100 Years of Italian Opera:
Vol. 1, 1890-1810. Eiddwen
Harriwy, Sandra Duosla in
Harriwy, Sandra in
Harriwy, Sandra Duosla in
Harriwy, Sandra in
Harriwy

Vol. 1, 1800-1810. Eiddwen Harrhy, Sandra Dugdale, Yvoone Keony, Della Jones, Diana Montague, Keith Lewis, Russell Smythe, Roderick Earle, etc./Philharmon's.

David Parry. Opera Rara ORH
101 (three records).
Verdi: Ernanl. Placido Domingo, Mirella Freni, Renato
Bruson. Nicolai Ghiaurov.
etc./Orchestra and chorus of La Scala/Riccardo Muti. HMV SLS 1435843 (three records), also on cassette

Bolto: Nerone. Jenos B. Nagy. Nooa Tokody, Lajos Miller, Klára Takács, József Dece, etc./Hungarian RTV Chorus and State Opera Orchestra/ Eve Queler. Hungaroton SLPD 12487-9 (three records). also on cassette. Alwyn's Miss Julic along with

Benjamin Luxon, Della Jones, John Mitchinson/Philharmonia/Vilem Tausky. Lyrita SRCS 121-2 (two records).

By strange but pleasing the trogédie-lyrique style that concidence, two companies have simultaneously released recordings that between them shed tight on one of the curiosities of opera history.

By strange but pleasing the trogédie-lyrique style that wrote, wrote, Opera Rara's latest exploit for 60 years, and at bis death is the inauguration of a project still incomplete. Eve Queier, conductor of a recent New York cectury latian opera. If this concert performance, has joined force with Hungaroton to put

Bernard Slade knows when he is on to a good thing. He had a success with Same Time Next Year, and followed it up with Romantic Comedy. (I

never saw Tribute, which came between them, so I won't say anything about that.) But now be bas written Some Time Next

Year and Romantic Comedy again, under the title Special

Occasions, and has come to London to direct 11 himself.

Of course the details are different in these three plays, but the theme is the same—a

chart of the ups and downs of a long period of marriage and non-marriage. In Special Occasions we only meet two characters, Michael and Amy. They are about to divorce in the first scene, and about to remarry in the last (of a dozen).

Michael (John Alderton) is a

playwright who has just been ed from a television stint

and is going to write for the slage. Amy (Jan Waters) is at that point a foul-mouthed

alcoholic, but nice enough in

other respects. They are cele-bratiog their 15th wedding anniversary before their divorce.

Offstage, they bave three

Amy improves after the sbock of going to the wrong funeral when she should have been at

her mother-in-law's. Michael, with a play about 10 open, has

a girlfriend called Vanessa; but

nn Christmas Eve he turns up

at the party Amy is about to give for the children and intimacy takes place, Vanessa

Another wedding opens the second act—Amy's to Ira, her lawyer. (The play has been anglicised for this production.

but it is odd to see a divorced

woman preparing for a full white wedding.) Michael comes

to her room as she is dressing for the ceremony and employs

an attack of back-trouble to go

into another clinch.

having given him the chuck.

the last (of a dozen).

on the Tasso theme of the enchantress Armida and the knight Rinaldo (Handel's, Haydn's and excerpts from Dvorak's are among those currently available oo record). But the confrontation of Lully the Italian founder and Gluck the Bohemian aaviour of the French grand-operatic tradition illumigrand-operatic tradition illuminates in a quite special way the continuity and durability of that tradition, and the puzzling fact that (Rameau and Berlioz apart) it has regularly required an in-flux of foreigners to appreciate its grandeur and cootrive or preserve its existence.

preserve its existence.
Lully's opera is surely his
masterplece, a beautifully
finished baroque creation
warmed by the melodic
inventiveness that in other
revivals he has often
seemed to lack Gluck's is something more: one of those rare "Jaous operas" that appear (and allow the listener) to look both ways at once, summing up

Special Occasions/Ambassadors

B. A. Young

well sung, even if in the title to role Rachel Yakar aeems to be giving unheeded lessons in the difficult art of varying and vitalising recltative.

The Gluck is fouoded upon the 1982 Spitalfields Festival Armide, given at Christ Church in an eccentric, unforgetlable production by Wolf-Slegfried Wagner. Unlike, the live performance, the recording is absolutely complete; but as captured on record much of the singing sounds inexpert, and Richard Hickox's tempos are not always well-judged. The studio has also more nakedly exposed the strain of Gluck's exigent vocal writing on Felicity Palmer's top register. That said, though, Miss Palmer's grandly uninhibited response to the most rounded and detalled of Gluck's female characters is one of the reasons for welcoming this Armide. The main one, of course, is the work ltself: it contains some of the most intoxicating, most en-Itself: it contains some of the most intoxicating, most en-chanting music Gluck ever

of Italianate brilliance. Avail-able from 25. Compton Terrace, London, N1 (£16), the album deserves wider circulation.

Avail-(oue at Covent Garden as alimit), is without serious weak-ness.

It is perhaps not entirely mis-

The third complete recording of Ernani (taken "live" from La Scala last year, in a perform-ance also recently televised) is the Verdi reading of Muti's that comes nearest so far to fulfil-

The big discovery in 19th century Italian opera is the first publication of Botto's Nerons—his second opera, set down, tinkered with, and worried over for 60 years, and at bis death city incomplete. For Oveler

placed to consider William Alwyn's Miss Jule along with the 15th century Italians; for like Walton's Troilus, it is essentially an English composer's attempt to discover new life the Verdi reading of Mutts that comes nearest so far to fulfilling the requirements of Verdi style—it is less driven, more "breathed," than Nabucco or Traccota, if still rather less than ideally so. There are disappointments from each of the principals: Freni too small of ststure. Ghiaurov elderlysounding in an unhelpful way; both Domlingo and Bruson are caught in uneven form. With all its faults this is the best Ernani so far, a "real" performance of an irresistibly, indeed elementally exciting opera.

The big discovery in 19th century Italian opera, set down, tinkered with, and worried over the space available, between masters for 60 years, and at bis death and energy in the forms and manners of late-Romantic Italian opera. Alwyn pared down and radically re-made the Strindberg play himself, and in its way his is a very able "operatisation" of an intractable subject. Miss Julie Is, altogether, an able, well-made opera — a more sophisticated elder sister of Rebecca of the third opera. Alwyn pared down and in its way his is a very able "operatisation" of an intractable subject. Miss Julie Is, altogether, an able, well-made opera — a more sophisticated elder sister of Rebecca of the operation of an intractable subject. Miss Julie Is, altogether, an able, well-made opera — a more sophisticated elder sister of Rebecca of the operation of an intractable subject. Miss Julie Is, altogether, an able, well-made opera — a more sophisticated elder sister of Rebecca opera — a more sophisticated elder sister of Rebecca opera — a more sophisticated elder sister of Rebecca opera — a more sophisticated elder sister of Rebecca opera — a more sophisticated elder sister of Rebecca opera — a more sophisticated elder sister of Rebecca opera — a more sophisticated elder sister of Rebecca opera — a more sophisticated elder sister of Rebecca space available, between master-pieces, for "Aunt Edna" operas like Miss Julie.

Ravel-Varèse Festival

Max Loppert

gramme-building was given by the BBC Symphony at the Festival Hall under David Atherton II was an immensely enjoyable but also immensely unsettliog concert; for while three of the four Ravel works in it are normally, and singly, In it are normally, and singly, regarded as popular orchestral showpieces, the juriaposition with each other and with Varèse's Amériques worked a remarkable shift of emphasis. Each of the Ravel contributions (even, though to the smallest degree, Ropsodic espagnole) insinuated a vision of nightmare, which Varèse's first mature composition then brought out lerrifyingly inlothe open.

"O my America! my newtitle of Amériques, which makes strong claim—or so it seemed after this shattering perform-ance of it, immaculately bullt and sustained with implacable America of his imagination—a symbol (so he insisted) of dis-

The second instalment, on outbursts of mechanistic Tuesday, of this brilliant exercise in fresb illumination Old, a vision of modernity at through lmaginative programme-building was given by that is as significant (and still the BBC Symphony at the Festival Hall under David in 20th century music.

Mr Atherton, quite clearly a Varese interpreter of the front rank, showed once again a some what less certain command of Ravel; yet on this occasion, un-like in the festival opening last week, each score revealed scrupaid commensurate rewards, The ear-focussing quiet play-ing of much of the Rapsodie was an example; so too the acute layering of crepuscular low sounds—which seem to evoke the commencement, faint yet menacing, of a dream—out of which the main subjects of both La Vaise and the Plano concerto for the left band are cradually unfolded to take his characters; when Hazel gradually unfolded

The concerto soloist, not fully virtuoso but full of convinced ideas, was Paul Crossley (a pity he was forced to perform on an drive and determination instrument with so twangy and through every climax to the last ill-voiced a bass register). Likeand loudest—lo be counted wise, Mr Atherton's control over Varèse's masterplece. The Boléro was firm, but not quite America of the composer's inevitable (with playing less recent first experience fuels the assured than elsewhere); all the same one was left in no doubt of a vision of mechanised mindcoveries physical and spiritual, lessoess quite as compelling and a New World (with its siren disturbing in its way as anyyowls and densely patterned thing in Varèse.

Glyndebourne deputy . is appointed

Guus Mostart bas been Glyndebourne Touring Opera, appointed deputy to Sir Peter post be has beld since 1980.
Hall al Glyndebourne, with
effect from January 1 1984.

He has worked at Glyndebourne since 1977, assisting Sir

Michael shows an unexpected grandfatherly affection. Amy, however, confesses that she is sleeping around. Next, Stephen, the eldest, is burt in a car accident: Michael is more grandfatherly than ever, except to look at; but Amy, efficient though she be, grows increasingly hard. Then Kelly marries someone we don't know. Boh is a succession of elemeatary emotional situations, dealt with by ready-made dialogue. They could go on for ever. Lovers of magazine fiction will laugh and As deputy to the artistic Peter oo four productions director. Guus Mostart's posi- iFidelio, Cosi fan tutte, A Midtion will be similar on the pro-summer Night's Dreom and duction side to Martin Isepp's Orfeo ed Euridice), preparing position as bead of music staff. revivals of productions, and Guus Mostart continues as directing them for Glynde-director of production for bourne Touring Opera. myself absolutely unmoved the whole evening, in spite of my liking for both lbe players.

little too late.
Nor is continuity aided by

Miss O'Connor giving vent lo chestily throbbing ballads at crucial points. The voice is intense bul not always intelligible. When the caricature villainous Yank (Strongelove did Il better) immobilises her with "new nerve gas-it saves a lot of yelling" one sees bis At times a note of genuine cataclysmic bumour is essayed, as when the post-nuclear air "smells of a million Sunday roasts" or "40,000 people suck-

marvellously caught in Sean Kenny's revolving timbered set; a place where Dickens's lunatic

amail-world coincidences (fancy Mr Brownlow turning out to be

There is undoubtedly a black comedy to be written about a nuclear crisis set in a bunker

peopled by a power-mad military American, a cynical TV direc-tor and a pelr of stray innocents

from pop music. This is no! it. Bob Mason's post-disaster media world churning out palliatives is depicted in strip-car-

take his characters: when Hazel

O'Connor, learning of a radio-

active London, laments ber mum and her world, It is too

ing pear drops"; but I suspect there is little faux about this nair in view of such subsequent embarrassments as a sbocked victim lapsing into Sixties flower-child jargon. Dig? Alas,



Oliver!/Aldwych

Nigel Andrews

In the tiny pattern of great British musicals, Oliver! must teeter near the top. Distilling the melodrama and sentiment from a Dickens novel rich in both, Lionel Bart adds a dash of comedy all (or mostly) his own, plus tuneful songs which grow easily out of the set-piece style of the Dickens narrative. In performance, the turning world of Victorian London is

Oliver'a rich relation) jostle with the sudden blood and thunder ("Ab-ha, caught yon, me boy!") of more unwelcome reunions. And if Dickens didn't have Ron Moody in mind when be created Fagin, whom did he have? Moody has eyes like live coals, twitching hands and tapping feet, electrified beard and hair, and a voice that can purr, whine or thunder accord-Bayliss is best. With his self-important sibilants and goldfish gasps, Bayliss makes the Beadle a glorious unwieldy bundle of pretension. His Scene Two dia-logue with Meg Johnson's tart Mrs Corney, a harpy who would certainly clean round all his corners, is the comic delight of

pocket or two" brought most of a special shine to his comment the house down, and his "Reviewing the situation" brought down the rest. "The evening the audience took a special shine to his comment on her much-cuffed cat: "Hmm — interesting breed — flat-headed."

"Reviewing the situation" brought down the rest.

Nancy and Sikes are the two blood-curdlers held in reserve by Bart whenever the musical threatens to become too sweet. Linal Haft's Sikes bas clearly been to the Richard Harris volce training school, speaking through a filter of hoarse gravel; but be can also thunder when he chooses. Jackie Marks is a buxom, spitfire Nancy. Her voice could be more melodic, but it rings out with fine chesty power at the climax of "As long as he needs me."

Of the nther grown-ups Peter Bayliss is best. With his self-important sibilants and goldfish

— interesting breed — Raft-headed."

The title role makes night-impossible demands — angelic looks and air of plut-size can hit the back of the gallery.

Anthony Pearson's Oliver looks right and acts perkly, but the voice needs more complete he delightful thieve's kitchen dandy, forever shooting his threadbare mittens for want of cuffs or walking with metro-nome cockiness, thumbs in waistoat. Marsha Bland's a plandit ahe can hit the back of the gallery.

Peter Coe's production is well drilled and action-packed, though it takes time to warm up. The London Bridge climax and the all-cast snale both pack a vigorous punch; and at cur-tain call the players were bullied into several encores.

Nightshoot/Tricycle

Martin Hoyle



Hazel O'Connor :

I do.

Lacking mntivation, Robert
Longden's alcoholic media man taps a vein so idiosyncratic as to verge on the loopy.

But he provides the evening's main interest despite the odd

desperate recourse to his own v Sunday supp opportunism, do gags. Not even he can redeem well as an improbable television with a portentous drone led by I seen so much masking—of a Miss O'Connor, at whose teenching piece. Jacqueline Tong age public this play is presumand and Dave Scott, Reithian ethos ably aimed.

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BASE LENDING RATES

into another clinch.

But the marriage to Ira as a writing genius, is best man, prospers for a time, and attenwhile Jennifer, the middle

- A.B.N. Bank Allied Irish Bank Amro Bank Henry Ansbacher Arbuthnot Latham.....
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someone we don't know, Bob, and Stephen, recovered and

revealed (10 his father anyway) as a writing genius, is best man,

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Arts Guide

cry like mad, I expect. I found

John Alderton and Jan Waters

llon moves to the next genera-child, plays the organ. What tlon, Kelly, the youngeat child, could possibly happen then but has an illegitimate son, and a remarriage?

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Hanover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 176 etchings and lithographs by George Cruikshank, the British cartoonist.

WEST GERMANY

Exhibitions

Ends Jan 8 Bonn: Rheinisches Landesmuseum The most comprehensive exhibition of contemporary U.S. art ever shown in West Germany. It features works from the 1970s and 1980s by nearly 50 artists representing such styles es pattern and decoration. new image, new wave, new expres-sionism and graffiti. Ends Jan 15 Berlin, Martin Gropius Bau, 110 Stre-semannstrasse: The Federation of West German Artists is showing the work of 300 contemporary painters to document artistic trends. Ends

famburg, Kunsthalle, Glockengiess-erwall: Luther And The Conse-quences for The Fine Arts has 540 graphics and paintings from the Reformation to today illustrating the great reformer's impact on many artists. Ends Jan 8. lamburg, Kunstverein, Glockengiess-erwall: More than 120 drawings, wa-

ter colours and gouaches from be-tween 1910 and 1955 by Fernand Leger. Ends Jan I. rankfurt, Städel, 63, Schaumainkai: The centenary of Max Beckmann, the outstanding German expressionist, is marked by 180 works from 1915 to 1933. Ends Feb 2. Baden-Baden, Staatliche Kunsthalle, Ba Lichtentaler Allee: 20th crobury

art including paintings and sculp-ture by Mondrian, Miro and Beuys. Ends Jan 6. Hamburg, Alemaer Museum, 23 Mu-

hambers, Antimeer Museum, 13 Mu-seumstrasse: "American Folk Art" has 200 paintings, drawings, tex-tiles, ceramics and sculptures from the 18th century to date by U.S. artists. Ends January 15.

Raphael - Three exhibitions pay hom-age to the great Renaissance paint-er - born 500 years ago. The Grand Palais assembles, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardinière and Balthazar Castigli-more postrati. Author, exhibition one's portrait. Another exhibition shows Raphael's influence on French art from the 16th century to the present Grand Palais (2815410). Closed Tue, Wed late closing, Ends Feb 13. The Louvre completes the anniversary celebrations with an exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his dis-

ciples, Louvre, Cabinet Des Dessins (2003926). Closed Tue. Ends end cf Balthus - in collaboration with the Metropolitan Museum 50 paintings and as many drawings are shown in the secretive painters first retro-spective revealing a universe peo-pled with adolescent girls and cats in an atmosphere of troubling innu-

endoes. Centre Georges Pompidou Closed Tue. Ends Jan 23 (277 1233)

Cycladic Art from the N. and D. Gou-

landris Collection - more than 200 remarkable items dating from the

third century B. C. are being shown at the Grand Palais before returning - definitely - to Athens. Grand Palais (ends Jan 9). Closed Tue, Wed late closing night 10 pm (2615410)

The Hayward Gallery: Recul Dufy - a timely reminder that this hero of countiess chocolate boxes and post cards, this acceptable face of modern art, was not only a significant paint-er but a Fauvist of peculiar character, s follower but no slave of Matisse, who later developed into a dec-orative artist of the first impor-tance. His elegantly perfunctory no-tation, and his characteristic imag-ery – white salls in the bay, paim trees below the balcony, bright silks against the apple green of the race-course, have been taken up and broadcast endlessly by lesser tal-ents. His fabric designs and tapestries are especially remarkable in a beautiful and necessary exhibition. Ends Feb 5.

The Hayward Gallery: Hockney's Pho-tographs - a brisk survey of Hock-ney's practical use of the camera neys practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a member of the second statement of the second seco simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of bme. Ends Feb 5

Royal Academy: The Gentus of Venice we are treated to a show in the grand old manner of the Royal Academy's Winter Exhibitions. treats us to exclusively the painting and, to a lesser extent, the sculpture, that Venice produced in the 16th century. If Bellini and Carpaccio are honoured more by their absence, since the panels now are just too fragile to travel (though the Lion of St Mark's is Carpaccio's), there is so much that has been brought in from all great the world that presents. from all over the world that compen-sation is hardly the word. So, from the shadowy, speculative presence of Giorgione in the beginning, to the of Giorgione in the beginning, to the emotional extravagance of Tintoret-to filling the lecture room at the end, and in between the great spaces of the Academy filled with Titian, Veronese, Bassano, Lotto, et al., we are indulged in a way unlike-by ever to be repeated in our time, if at all Ends March 11

treats us to exclusively the painting

Milan: At the Chiesa delle Grazie there are 100 pre-Haphaelite and Neogothic paintings for church win-

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr, Titian's engravings on show. Palazzo delle Prigioni: ex-hibition of works by Massimo Cam-

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 26. The Book Of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treesures, all finely wrought and many of them encrusted with jewels

 a reminder that long before its present troubles, Ireland had its Golden Age and was the last repository of Western art and learning to fall to the Vikings.

One hundred paintings by modern Dutch artists at the Stadelijk Mu-seum, Amsterdam. Until Jan 8.

NEW YORK

Metropolitan Museum of Art: 75, works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisiwill incinde 10 of his latest acquisi-tions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Becon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondri-an, Picasso and Natalia Goutcharo-va Ends New 27

Val. Ends Nov 27
Canter Scripture Centre: Set against a spectacular view of New York step the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproduces Host Laborator Cons World producer Henri Lebosse. One World Trade Center, 105th storey

Manet (Metropolitan Museum of Art): Almost 200 important paintings marking the 100th anniversary of the artist's death are included in the tion for nearly a century. Ends

WASHINGTON

fational Gallery: Art of Axiac Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlan, capital of

the Axtec empire, in central Mexico City. The most comprehensive Axtec art exhibit ever mounted in America art exhibit ever mounted in America reflects the religion that suffused the Aztec criture, with gots per-forming secrifices that had to be re-peated by man in order to keep the tun moving across the sky and the cosmos working, Ends Jan 8, 1884 Hirshorm: 128 works by 62 European

December 16-22

Hirshbarn: 138 works by 61 European and American 30th contact artists illustrate: the contemporary theme of Dreams and Rightmares for Society. Timed to usher in Orwell's dreaded 1984, the extilisit runs the gamut of artists from Bussian constructivists with their misquided dreams to a large sampling of American and German artists affected by the century's wars: Ends Feb 12. National Masseum of Natural History: The Precious Legacy contains 350 secular and religious Jewash objets the Naxis preserved in Caschoovakia for a "Struseum of an extinct race", covering five centuries of gold, portraits; textiles and other crafts from the collection of the State Jewish Museum in Prague. Ends Dec 31.

CHICAGO

Marieum of Contemporary Art: 46 pointings of Superrealist Malcolm Morley trace the British-born pulse Morley trace the British-born paints or style from its origins in abstract works through Pop art to the ocean liners based on postcards that show the photo-realist influence of his said-styled Superrealism, Organised originally by the Whiteshapel Gallery in London, the show includes recent pastoral landschoes with beach scenes and animals. Entis Jan 22

FINANCIAL TIMES REPORT

Business starts to grow again

By DAVID BUCHAN. East Europe Correspondent TRADE BETWEEN East and West has been kicked around as a political football—directly by the Reagan Administration strongly opposing certain technology and energy aspects of it. Indirectly by the Kremlin urging its Comecon partners to trade more among themselves and by inference less with the west has been kicked around as a political football—directly by the Reagan Administration strongly opposing certain technology and energy aspects of it, indirectly by the Kremiin urging its Comecon partners to trade more among themselves and by inference less with the West.

But there is plenty of air left in the football. Member countries of the Organisation for Economic Co-operation and Development in the West and of Comecon in the East still exchange more than \$700n in the Comecon in the East still exchange more than \$700n in the East still exchange merchandise 2 year. This is nearly \$10bn below the 1980 peak. But business is on the increase again.

In the first balf of this year Soviet exports to the industrial-ised West rose in volume by 4 per cent, after 10 per cent growth last year, and exports of the six East European countries in Comecon increased 4 per cent after three successive years of decline.

Western exports to the Soviet Union rose a further I per cent after their 5 per cent gain in 1982; Western deliveries to Eastern Europe continued to decline in the first six months instead of the 16 per cent fall last year.

Overall, Western trade with the East this year has been somewhat more dynamic than with the rest of the world. East-West commerce, at a fairly high volume, seems to have a way of surviving the slings and arrows of politicians. Natural complementaries exist between the mineral and energy rich Soviet Union and raw material short Western Europe and Japan, and between foodshort Comecon and food-surplus cussions about putting an end North America and Australasia, to sanctions on Poland. As a

For the West, the East is a source of still sizeable contracts that help maintain Western employment in time of reces-slon because the East is gener-

position on their hard currency trade with the non-Communist world (developed and develop-

ing countries).

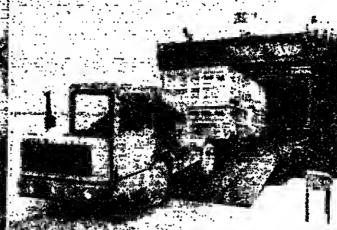
These surpluses, according to United Nations estimates, will amount to \$6.4hn collectively for the six East European countries — East Germany, Czechoslovakia, Poland, Hungary, Romania: and Bulgaria—and to \$7.1hn for the Soviet Union this year.

Viewed more narrowly this has pushed Western Europe into deficit with the East and reduced the North American surplus, though Japan continnes to improve its trade balance with Comecon. What it means, however, is that the East has the financial means, if it chooses to use them, to start increasing imports from the West again.

In the West, the dust is begin ning to settle from the 1980-82 disputes about sanctions and embargoes on trade with the East. The rough compromise that seems to be emerging is U.S. acquiescence in the erguments of its European and Japaness allies that seems to be emerging in the engineers of the senetions as a line of the senetions are a line of the senetions as a line of the senetions are a line of the senetic nese allies that sanctions as a form of political protest (over the invasion of Afghanistan and martial law in Poland) have only shurt-lived symbolic effect, and that embargoes to weaken the Soviet economic base (one of Washington's rationales for posing Western involvement the Siberian gas pipeline) are

A sign of this is the Nato dissort of return, the U.S. has got the acquiescence of its allies in tighter export controls on technology that might be usable in slon because the East is gener-Warsaw Pact weaponry, ally less susceptible to the although the argument is still business cycles that charac about how much tighter.





the USSR (left) provoke dess controversy than equipment for the Siberian-Western

East-West Trade

At more than \$75bn a year, trade has survived the political tensions between East and West. But to start growing again, it needs to become more broadly based

to resume 1970s-style growth in their trade. But this is not so. The vickssitudes of recent years have left scars, and the tense political-military climate is not conducive to their quick heal-ing.

In particular both sides have doubts about their dependence on each other in three broad areas (discussed in more detail ere in this survey).

The first is financial. The caution here is now less on the Western side. Western banks, and to some extent govern-ments, have put the total \$60bn Comecon debt in a wider context, realised that it amounts to

It might therefore seem that both East and West are ready to resume 1970s-style growth in Poland and Romania (except under the force majeure of re-scheduling), but to the others. Few of the other five Come-

rew of the other five Comecon countries, bowever, want more money. Hungary and East Germany do, hut mainly to service present debt. The three—the Soviet Union, Bulgaria, Czechoslovakia—which could use more Western credit to buy new goods from the West rather than to service old debt do not want to borrow much do not want to borrow much

Almost all Comecon countries feel that the 1991-82 credit squeeze showed up their finan-cial vulnerability to the West. text, realised that it amounts to They want to play safe and are one-third of that of three Latin doing their utriost to reduce American countries alone, and their hard currency debt.

Until they have succeeded further, their strategy, except perhaps in the case of the Soviet Union whose debt is dwarfed by its gold reserves, will be to keep imports from the West growing.

The fact that today's civil imports from the West growing below the rate of exports to the

tion feels, and is in the process of trying to convince its allies in the Co-ordinating Committee

The fact that today's civil

applications (computer games)
of "dual use" technologies Less reliance on Western often run well ahead of military bank credit, even on trade- applications (missile guidance) related credit, implies more re- makes control very hard to liance on cash and counter enforce, particularly when trade to finance purchases from microchips can be slipped into the West.

pockets or data fed nver tele-A second area of concern is phone lines. But by the same technology trade, The inhibition token, attempts at thorough here is mainly on the Western enforcement, which the Reagan side. The Reagan administra- administration vows, could give CoCom controls an impact on East-West trade which they have not hitherto had.

make more of the products the West threatens to embargo. Whether they can succeed is open to some doubt. They have the brainpower and the skills and have launched ambitious Comecon-wide programmes in, for instance, electronics and

The problem lies in the systemic harriers to innovation in the East, separation of R & D from production, plan targets of quantity rather than quality and so on. Restricted trade in high tech-

nology would compound the problem of the present narrow commodity make-up of East-West trade. This is the third area of concern, and it is sbared hy both sides. East-West trade is concentrated on a more limited range of products than the trade of of products than the trade of either East or West with other parts of the world. Primary products (principally energy, and Soviet energy at that) make np around 70 per cent of Comecon exports to the West, while manufactured goods have sunk to less than a third of the

Western exports to the East bave shifted towards food and nave shifted towards food that intermediate products and pro-duction materials and away from machinery and equipment (now about a quarter of the

Neither East nor West is very happy at having to rely on the other, its major potential adversary, for commodities so basic as food and fuel. Both sides are to some extent trying to reduce this dependence. The Soviet Union has its "food pro-gramme" aimed at increased self-sufficiency in agriculture. This year West European mem-

This year west European members of the International Energy Agency agreed that they would carefully examine non-Soviet sources of supply before buying more Soviet gas beyond their latest Siberian gas contracts.
In the light of these inhihl-

tions, East-West trade will have to become more broadly based if it is to grow in the late 1980s at anything like its 1970's pace. The West has plenty more to offer outside CoCom-covered items; the constraint is Eastern demand, though this is likely a refer to the constraint is a likely to refer to the constraint is a likely to refer to the constraint is the constraint. to pick up as financial pressures

such reforms are on the
case and Comecon countries
import the machinery and
equipment they need for repeatedly postponed nver the

East - West flow: inventors are not very market-conscious

bearing ln mind, of course, Western protectionism against imports of many basics like food, textiles, steel, even chemicals and the cavalier attitude which the European Community often takes in charging Comecon countries with dumping.
One hopeful sign for better

Comecon export marketing is the recent widespread changes in foreign trade organisations in foreign trade organisations (FTOs), which have hitherto had sole export/import monopolies and tended to he divorced from producers and manufacturers, to the detriment of Eastern or Western huyer or seller.

or seller.
The reforms range from letting larger companies do their own foreign trading (as in Hungary and Poland), to allowing producers to run their nwn FTOs nr integrating exist-ing FTOs into manufacturing companies (in the rest of eastern Europe).

Classic style

The Soviet Union alone has not decentralised its system at all but then the classic style FTOs are best suited for bulk trade in simple commodities, which is what most Soviet cx-

More basic, market-oriented reforms in Comecon would facilitate East-West trade. This is being done piccemeal at present, with Hungary well to the fore, following hy Bulgaria and Poland, with Czechoslovakia, Romania and even the Soviet Union, showing signs of interest and East Germany hlank disinterest. contrast

Hungary today and Poland in the 1970s shows that Comecon and decentralised decisionterm trading partners for the West. Better trading arrangements inside Comecon itself might help, not hinder, East-

West trade.
That this is so is clear from the developments in the first half of this year, when the up-turn in East-West trade co-incided with a sharp upswing in intra-Comecon trade. But con-tinuation of the latter may depend nn structural trade re-forms in Comecon.

(CoCom) in Paris, that the Aware of this, the Soviet modernisation.

Soviet Union has been able to Union has been urging its The onus is thus on the East take place next spring, Mr Yuri turn Western civil technologies, Comecon allies that they should to broaden its offer to the West, Andropov's health permitting.

West - East flow: high technology sh are of exports in decline

Western family iewels remain intact

PART OF the popular argument in the West for increased controls on exports to the Soviet on equipment from the West. bloc rests on the impression that a predominant share of Western sales to the East is in high technology. This is not so. In fact, the Comecon countries now buy less industrial technology (turnkey plants, machines, licences, know-how) and more food and intermediate products (like chemicals) as a proportion of their total imports from the West than they did 10

years ago. The broad category machinery and eategory of machinery and equipment, much of which might be described as technology-intensive, accounted for a third of total Comecon imports from the West in 1970 and declined to a quarter 10

years later.
The element in these imports that can properly be described as advanced is much smaller. A recent U.S. Commerce Department study defined 'high technology" as made up of some 30 categories in the standard international tariff code, including computers, some machine tools, electronics, telecommunications, turbines, X-ray equipment and so on.

ment and so on.

By this definition, Communist
countries (including China)
hought in 1981 only 4.1 per cent
(4.7 per cent in 1970) of worldwide Western exports of high

Slightly smaller

There is, in fact, a slightly smaller "high technology" share in Western exports to the Communist world (9.8 per cent in 1961) than in Western exports to the world as a whole (12.4 per cent in 1981). That does not per the Capital black is less prove the Soviet bloc is less hungry for Western advanced technology; it partly shows the greater Comecon need temporarily for Western grain and intermediate products.

It does, however, correct any terms the West has been giving away the "family jewels" in terms of technology to the Soviet bloc anymore than to the rest of the world.

That said, there seems none-theless to be a disposition among Western governments to tighten, aelectively, security controls on technology exports to the East — partly because of pressure from the Reagan edministration and partly because of present East-West political and military tensions. One concern centres un the

balance of economic advantage in technology trade. It is clear that the East has gained more from its technology purchases from the West than vice versa (see accompanying article).

Much of the Soviet chemical and car industries has been, and is still being, built by the West,

·By contrast, machinery and equipment accounted for a mere 6.3 per cent of Comecon exports to the West in 1980 and only 1.8 per cent of Soviet exports to the West. The trade in "disembodied" technology such as licences is equally inp-sided, with Western sales predominating over Eastern.

Hnwever, the lop-sided economic nature of East-West technology exchange is not of general concern to Western governments, except to some in the Reagan Administration who believe that Western tech-nology has been a vital prop to the Soviet civil economy and that, if this prop were removed, Soviet leaders might be forced to switch resources out of the military into the civilian consumer sector.

This was an argument used for a time by Washington to back its opposition to Western involvement in the Siberian gas pipeline. But, as the row over the same Siberian pipeline showed, it is not shared by U.S. allies in Western Europe and

Japan.

They see little evidence that the Soviet Union would be susceptible to any general Western economic pressure. This difference of npinion naturally reflects the fact that technology sales to Comecon are far more important for Western Europe and Japan than for the U.S., both in absolute and relative terms. and relative terms.

Yet there is more general support for the Reagan Administration claim that. Western technology has been an important tant prop to the Soviet military sector, and that for straight security reasons export controls should be tightened. Many U.S. allies have found fairly con-vincing in the absence of any evidence of their own to the contrary, recent U.S. intelli-gence evidence that the Soviet Union has used some Western technologies, particularly in the computing and electronic area. to build weapons better and quicker than it otherwise could have done.

The upshot is that, while the Western allies still disagree sharply over export controls for foreign policy purposes (such as the sanctions on the Soviet Union after its invasion of Afghanistan and its condoning of martial law in Poland), they agree in general that further efforts should be made to keep out of Soviet bloc hands technologies that could be put to

military use. This la now being discussed in the Coordinating Committee (CoCom), the organisation based in Paris which vets sales by almost all Nato countries and

Jan-June 1983 0.24 Bulgaria East Germany -0.02 0.85 0.72 0.18 0.86 0.01 -0.01East Europe -0.5 -0.34Soviet Union

WESTERN TRADE BALANCE WITH COMECON

Japan to Communist countries. The key issue in CoCom, now as always, is which technologies can be considered "dual use" cial investment.

(with military as well as civil application) and therefore should be placed on the CoCom embargo list that forms the common denominator of national export controls of individual Western govern-CoCom reviews this list every

three years, adding new items and subtracting those which have become dated or of less military relevance—the general aim being to maintain the Western technical lead over the East. The usual division is between the U.S. pushing for maximum controls and its allies trying to keep them to a minimum, and the current review which began in antumn 1982 is no exception.

Unusual

umusual, prolonging it until sometime next year, is the scale of the U.S. proposals to hoth broaden the scope of controls and change the nature of the machinery.

CoCom controls towards restricting technologies basic in civil and military industry, such as and military industry, such as microcircuitry and perhaps less emphasis on controlling end-products, like individual chips, which may be hard to reverse engineer. Whether this would mean a net expansion or contraction of the CoCom list is not yet clear. The U.S. Government studied this, "basic techment studied this "basic technology" spproach to export controls since the mid-1970s, but still not incorporated it fully retional control into its own national control list. But the probability is that it would widen the CoCom net.

Special priority for control of some 14 categories. Agree-ment has been reached on some, such as floating dry docks, space-craft and special composite meterials potentially useful as ballistic missile heat shields. But major disagreement remains in such traditional problem areas as competers. The U.S. also wants robotics controlled for the first time, as well as computer software, which is considerably more problematic than tracking the flow of hardware.

A "watch list" of emerging technologies which the U.S. feels might have future military potential. The U.S. has received allied agreement on this, partly because it is not an additional emhargo list. The aim is to alert Western nfficials to potential technology risks before the risks become actual and before they take up too much commer-

· A military committee to sit alongside the diplomatic repre-sentatives that presently make up CoCom. This would give Western military officials a direct say in drawing up the CoCom list and in vetting the roughly 1,000 requests for exceptions to the embargo list which national governments file on behalf of their com-panies every year. U.S. allies have generally objected to the military committee idea, which they feel would upset CoCom's present delicate balancing act between political, defence and trade interests. They say the proper place for military input into export licensing is in national capitals — and if in fact that were to happen, U.S. nfficials say they would rest

their case. Unusual Even tightened CoCom
What makes the list review controls will not affect more than a tiny percentage of Western exports to the East. But they will dampen at least psychologically, the East-West trade climate. The Soviet Union has already been telling its Comecon partners that the East A switch in the focus of must make more of the tech-Com controls towards restrict- nology which the West threatens to emhargo.

Stricter CoCom controls will inevitably increase enforcement problems, as the East tries to get illegally (often in via neutral countries) what it can no longer get legally,

Comecon good buys hard to spot LAST MONTH Voest-Alpine of Austria announced further expansion of the plasma furnace process in its Linz steel mill. It said the process, bought as Little exact data on the sale The second characteristic is of licences by Comecon countracteristic is of licences by Comecon countracteristic is of licences by Comecon countracteristic is that Comecon Eccence sales tend to be in fairly traditional fields the Soviet Union, Czechoslosuch as metallurgy, mechanical to the process, bought as the process, bought as the process, bought as the process in the sale announced further of licences by Comecon countracteristic is that Comecon Eccence sales tend to be in fairly traditional fields the process, bought as the process, bought as the process in its Linz steel mill. a licence from East Germany, are the leading licence exporters energy, mining (where the East

had already been proved in the Freltal special steel works in East Germany, where some and 1500,000 tonnes of quality steel had been produced with less dust, gas, noise pollution and with less electricity than other industrials.

where the East has something to offer the West in technology. The East-to-West flow is not as great as the West-to-East traffic. hut it comes as a surprise to many in the West that it exists at all. According to one rough estimate, Comecon countries have sold around 1,500 licences since 1965 outside the Soviet bloc, of which perhaps 500 are stilt active. During the same period, Eastern countries bongbt about 2,400 licences from the West, with a higher proportion still in use. The value of individual

Comecon technology licence exports is generally lower than those imported from the West, partly because equipment deliveries are less often part of the Comecon licence package and partly because Western licences bought hy Comecon countries tend to be used on a national scale. A Comecon enterprise or foreign trade organisation will usually buy a Western licence to plug a technological gap in the national plan, while the Western purchasers of Eastern licences usually supply a smaller por-tion of a given Western market. Sometimes, too, licences are bought by Western companies as the East legally (often in asserting the eastern trading partner or as the result of Eastern insistence on countertrade, in know-bow as an official innovation Fund to paying BUCHAN well as merchandise.

and Bulgaria bringing up the

This reflects the size of the Soviet economy, the longer industrial traditions of Germans and Czechs, and the inventive-ness of Hungarians. On the Western side, Japan, France, been quite big buyers of Eastern know-how, with the U.S. not far behind, and the UK a somewhat worse market for Eastern technology as it is for most foreign know-how.

Characteristics

There are a couple of general characteristics shout Comecon licence sales. The first is that they tend to be process rather than product technology; product licences for soft lens (Czechoslovakia) or surgical stapling guns (the Soviet Union) tend in be the exception. This is partly because of the known difficulties in centrally planned economies, with trally planned economies, with their usual separation of R & D from production, in speedily translating new ideas into full scale production, and partly hecause of the relative lack of attention to consumer products.

Some changes which may help remedy this are underway in economies as disparate as the Soviet Union and Hungary, A combination of stick (rejection of substandard products) and carrot (innovation bonuses of up to £36,000 from 1985 onwards) is being tried in the

in the East, with Poland having is quite strong), plus the fallen a hit behind and Romania medical and biochemical field (in which the East has always had a keen interest). They are, rather obviously, less concen-

trated in electronics, computers, plastics, even chemicals where the East is well behind the West. The East has sometimes turned this deficiency to advantage, going the "mechanical route" and refining traditional technology in search of greater efficiency, instead of the "electronic route" pursued by the West in aearch of greater automation.

The Soviet Union, for instance, sold licences for its "dry quenching" system for cooling down coke used in blast furnaces to Nippon Steel of Japan, Newton Chambers of Hotel and Thursday of Worth the UK and Thyssen, of West Germany, according to Mr B. Kurakin, head of LicensIntrog, the Soviet licensing agency. This system saves on the waste and pollution caused by simply pouring water on the coke as often done in the West. Another widely purchased Soviet licence is the evaporation hlast furnace cooling process.

It is perhaps curious that the Soviet Union and some of its Comecon partners, whose oil and gas prices are below world prices should have energy-saving processes in metal making to sell to the more conmaking to sell to the more con-servation-minded West. It is in the other hand, little surprise that the Soviet Union with its enormous pipe and rail network should have welding technology to offer the West. This, for instance, has been sold to the U.S. and used to weld rails on the Washington

to spot. Eastern inventors are often not very market-conscious, particularly in the Soviet Union where a few years agn an nfficial complained that ministries had no systematic approach to patent protection for Soviet products and inven-tions, Of 70 R & D institutes in the Ministry of Instrument Making, be said, only nine even recommended taking out foreign patents. According to Mr John Kiser, a U.S. specialist on Eastern technology sales, "the most commercially successful licence sold in the U.S., the Wichterle soft lens, came about through the initiative of a U.S. company that learned of the research being done in Czechoslovakia and hrought it to the attention of the licensing organisation there."

Development

For some of the same reasons. Comecon process or product licences often need substantial further development in be marketed in the West. Japan has excelled in Improving on Comecon licences. This however, is usually reflected in the lower price of the licence.

As far as is known, no Eastern equivalent of CoCom exists to vet technology sales on security grounds. Defence-related technology is kept under much closer wraps in the East, and, though some East German and Czech photographic equip-ment is believed to have been used in Western military equip-ment, it is generally of marginal use to the West.

> DAVID BUCHAN AND TOM SEALY



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Growth is likely as financial constraints ease

THE EXTERNAL finances of cent below the level in the first Europe-taken as a whole-are in much better shape now than 16 per cent in 1982 compared they have been since the start to 1981. of the 1980s. Boosted exports and slashed imports have put them in collective trade surplus with the non-Communist world.

Lower interest rates have left most Comecon countries with a current account surplus, which they are using to reduce their hard currency indebtedness. Five of the seven are creditworthy by any inter-national measure; the odd men out remain Poland and

The foundation of improvement bas been in the trade balances of Comecon. After four years of low growth in the Soviet Union and two years of real decline in several East European countries, the first half of this year bas seen a decided upswing in economic activity and trade.

The six East European countries increased exports to the industrialised West by 4 per cent in volume in January-June 1983, reversing the 4 per cent decline last year. At the same time they kept imports from the West at some 7 per

the Soviet Union and its six half of 1982, though this is a Comecon partners in Eastern substantial deceleration in the the outside world has coincided rate of import cuts which was

> Western imports to the Soviet Union, which never had to retrench in the same way that its smaller partners had to, rose another 1 per cent in the first half of this year, while Soviet exports to the West increased 4 per cent in volume.

Collective surplus

The upshot is that the six East European countries will this year chalk np another col-lective trade surplus with Wes-tern countries—1982 was the first year they had done so for a long time—and that Soviet-Western trade will be roughly in balance.

If Comecon's hard currency trade with the Third World is taken into account then, according to the United Nations Economic Commission for Europe (ECE), Eastern Europe will have pushed its trade surplus with market economies up from \$5.3bn last year to \$6.4bn this year and the Soviet trade surplus will rise from \$4.3bn to \$7.1bn over the same period.

East European exports to the Soviet Union, is simply explicable by the need to pay for higher-priced Soviet energy. This all seems to show that intra-Comecon integration is not inconsistant as is some-times believed by observers in the East and West, with in-creased East West trade.

> all the Comecon countries are national keen to reduce their hard currency indebtedness. With the exception of Poland, they are now in a position to do so, with trade surpluses that are hig enough to pay interest and some principal.

trade inside Comecon. This was particularly noticeable in com-

merce between the East Euro-pean countries which grew 7

per cent in volume terms in the

first half of the year, after a long period of feeble growth.

The other marked tendency in

intra-Comecon trade, the rise in

plus will rise from \$4.3bn The result is that in 1982 the slight discrepancy with the ECE \$7.1bn over the same period. Comecon countries changed (see chart) Comecon net bard Interestingly, the ECE in its their position from being net currency debt was down to

latest report notes that the up-swing in Comecon's trade with the outside world has coincided the outside world has coincided suppliers. The total net liability wharton notes that the \$53bn with a modest quickening of ties of the Eastern countries owed by the six East European which rose a further \$4.5bn in 1981 fell last year to \$6.75n.

> The gross llabilities, or gross debt of Comecon countries fell \$4.7bn last year, due mainly to the fact that Western hanks refused to roll over or extend matizrities which came due

At the same time, Eastern ets in Western banks rose by \$2bn, though this was almost entirely on the accounts of the Soviet Union which has been rebuilding the reserves it ran down earlier to pay for big grain imports in 1981.

On two criteria that bankers use-assets as percentages of reased East West trade.

After the events of the early and of hard currency liabilities 1980s—the Polish financial collection of the Comecon countries are large, the freeze on new generally much better placed western credit and soaring than they were two years ago. The trend towards sounder all the Comecon countries are national financial balance sheets has, according to the ECE continued into the first half of this year, with a further \$1.7bn reduction in met Eastern

> According to Wharton Econometrics, whose figures show slight discrepancy with the ECE

countries amounts to 8 per cent of their combined national product and about \$480 per head of population.

Gold reserves

This compares with the far larger Brazilian and Mexican debts which amount to over 30 per cent of those countries' Gross National Products. For the Soviet Union, the second largest economy in the world an \$8bn debt is tiny; Soviet gold reserves alone are three times the value of that.

So much for the bird's eye view of Comecon finances. Given the external wide dif-Comecon between ferences countries, it is useful to distinguish between them in somewhat more detail.

The first group, the Soviet Union, Bulgaria and Czechoslovakia, can be termed the "conservatives." These countries are all in the happy position of reopened its channels, to the being able to let domestic developments determine their For the last two years it bas foreign borrowing, rather than been by far the biggest Comethe other way around.

They have the three lowest East Germany has none debt service ratios in Comecon, Hungary's advantages, but

also the most politically conliabilities to the West.

Czecboslovakia, this summer raised its first euromarket loan, of \$50m, since 1980. But it made clear this does not herald a systematic return to Western capital markets, but was rather a status symbol to show that Prague can get normal treatment from Western bankers, if it wants it.

The second group, Hungary they are able to.

The buoyancy of the Hun-garian economy, the result of eady market-oriented reform. plus the country's entry into the International Monetary Fund and World Bank, bave con borrower in the West.

credit risks in the region for relationship with West Germany.
Western bankers. But they are also the most politically to good financial use. servative and are interested in German banks this summer lent reducing or simply maintaining it DM 1bn, with a Bonn Government guarantee, despite the fact that East Germany has perhaps the poorest record in the East in disclosing financial informa-

Casualties

The last group are Poland and Romania, the "casualties" of previous ambitious borrow-ing from the West. They are the ones that want and need and East Germany, are the to borrow more from the West, "tightrope walkers." They are cannot. But precisely because interested in new borrowing of this sorry fact, both counfrom the West, partly to service their relatively high level of old debt, and, for different reasons, they are able to currency trade.

Polish convertible currency trade is likely to be around \$1bn in surplus, and Romanian about \$1.5bn, this year Romania hopes not to have a third year of debt rescheduling in 1984.

Poland, with a \$24bn debt to shoulder, is obviously fated to have to keep on rescheduling principal maturities. It is not yet in a position even to pay the whole interest on its debt,

USSR

Total

Eastern Europe

SHARES OF OECD OIL IMPORTS

USSR and Eastern Europe (mbd)

0.36

0.31

(4.5)

COMECON DEBT (end 1982 in \$ bn) Balgaria Czechoslovakia 3.2 East Germany 9.2 Polant 24.1 8.8 Soviet Union 8.0

Source: Wherton Econometri

having. been fortunately released by Western political sanctions from having to pay interest on official debt to Western governments in 1982 83. Such is its parlous condi-tion that it has been able to get unusually favourable terms from Western banks, with a major portion of interest paid to Western banks in the past two years being recycled back into Poland as a further loan. overall, it is clear that the in-ability of some Comecon countries, and unwillingness of others to borrow more credit has constrained East-West trade growth. But, with the increain cash and countertrade and healthier financial positions in the East, the constraint may

DAYID BUCHAN

9.73 9.65

1.38

0.08

0.38

1.76

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SKODREXPORT

Era of feather-bedding is over

The flow of cheap Soviet oil has slowed significantly

FEATHER-BEDDING of the East European economies with cheap Soviet oil has not yet completely ceased. But it has been significantly reduced with profound effects on Eastern Europe's energy balance and

Just as the effects of the Western recession and credits freeze since 1980 have concentrated East European minds on within one's means, so too has the USSR's oil industry difficulties forced a fundamental reform in Eastern Europe's energy policies.

That does not mean that Eastern Europe is facing a critical energy shortage. It is not, but the days of profligate energy consumption which buoyed up the East European nomies while the industrialised Western nations reeled under the impact of succe oil price shocks are over.

with the same painful process are calculated as a function of of energy readjustment that world oil prices in the preced-Western Europe has already ing five years, reflected world

Three main factors, all related First, Soviet oil production, which grew at an average annual rate of 6.8 per cent in the 1971-75 five-year-plan and 4.2 per cent in the 1976-80 five-year-plan, has slumped to an average 0.9 per cent a year in the current five-year period.

This slowdown, coupled with the need for extraordinary aid to Poland, forced the USSR to introduce an average 10 per cent cut in planned annual oil deliveries to its other East European partners in current five-year-plan. the

Second, this supply cut was accompanied by a series of price increases for the USSR's East European oil buyers as the "sliding scale" formula, on

Eastern Europe is now faced which intra-Comecon oil prices. Washington show that all of the ing five years, reflected world market oil price rises occurring in the mid- and late-70s. This to the Soviet oil industry, lie at the root of this readjustment, pushed the intra-Comecon oil price up by some 70 per cent price up by some 70 per cent from 1980 to 1982, or from about half of the world market price to about 77 per cent of it.

Sales increased

Third, and most recently, the Third, and most recently, the sharp drop in world oil prices last year which has forced the USSR to Increase its oil sales to the West to maintain the level of its bard currency earnings. Eventually, the slump in world oil prices should be reflected, by way of the sliding scale formula, in the price the USSR's East European partners will have to pay for Soviet oil. will have to pay for Soviet oil, from 39 to 34 per cent, Czecho-

The USSR, however, will not be able to provide more oil because of its need to maintain high volume sales for con-vertible currencies. A sharp rise in world oil prices should, of course release more oil for intra-Comecon trading, but this sumption show anything it is would also produce another the tremendous waste of oil sharp increase in price for endemic to cheap-oil economies.

by with less oil and it bas been trying hard to do it. With the exception of Bulgaria, apparent energy consumption in Eastern Europe grew by less than 1 per cent a year in 1980-82, with Czechoslovakia, Hungary and Poland achieving an absolute decline in energy consumption in the 1979-82 period.

Moreover, figures produced by Wharton Econometric Forecasting Associates (WEFA) of example, that the only Comecon country with any prospect of reaching its original economic like the success of its smaller plan targets for the current five energy consumption and thas made no attempt at reform to adjust its industry generally consumption by 3.6 per cent a year in 1980-82, and that those cuts bave taken ports from non-Opec members.

Intriguingly, it is the energy rich Soviet Union which could face the biggest hurdles. So far it has not achieved anything like the success of its smaller reaching its original economic mand has made no attempt at reform to adjust its industry generally to a regime of more moderate consumption. Ers foreign trade

East European countries except Poland bave achieved signific energy consumption to net material product produced.

Between 1979 and 1982, East Germany cut its energy/NMP ratio by nearly 9 per cent, Bulgaria, Hungary and Romania by 4-5 per cent and Gzechoslovakia by 3-4 per cent.

These cuts in consumption ave been achieved almost solely through cut-backs in oil consumption. The percentage share of oil in the total energy consumption of the CMEA six (Bulgaria, Czechosłovakia, East Germany, Hungary, Poland and Romania) has fallen from 24 per cent in 1979 to some 20 per cent today, with Bulgaria reducing the percentage share of oil slovakia from 26 to 23 per cent, East Germany from 21 to 19 per cent, Poland from 16 to 13 per cent, Romania from 30 to 24 per cent and Hungary from 40 to 33 per cent.

If these sharp cuts in oil conso far, have only completed the

(% of OECD imports) countries which showed reason-able economic growth in 1982, East Germany and Hungary, also saw their apparent energy consumption rise in that year.

USSR/Eastern Europe total

Crude oil, NGLs, feedstocks Refined products

Crude oil, NGLs, feedstocks Refined products

There is, therefore, the likeli-hood of a period of real energy austerity for the smaller East European countries over the next acveral years until current investments in the greater utilisation of domestic sources of coal, hydro and nuclear energy pay off and until an industrial transition from oil to natural gas can be completed. However, the long-term effects of this process should be beneficial of revenue, for East-West trade.

ducts more competitive in the world market. As a reducing dependence on Soviet oil should In other words, these countries, also mean a similar cut-back in So, whatever happens, so far, have only completed the energy imports from the west, Eastern Europe has got to get easy part, largely without any more hard currency should be by with less oil and it has been great upheaval or disruption.

economic growth.

It is interesting to note, for example, that the only Comecon country with any prospect of reaching its any real prospects for increasing gas sales above the minimum levels already contracted for several years.

If the sucress of its reaching its any real prospects for increasing gas sales above the minimum levels already contracted for several years.

If that should prove to be the

is also more critically dependent on energy exports, particu-larly and overwhelmingly oil.

First half-

1081 1982

0.63

1.38

0.03

0.53

0.04

0.35 0.32 6.24

1.24

(4.9)

This need to maintain the level of its hard currency earn-ing from oil has already forced the USSR to switch from its traditional role as high-price leader in the international oil market to low-price leader in order to keep its market share.

It is also the driving force behind the USSR's efforts to increase natural gas sales to the West to help compensate for any fall-off in hard-currency

There is no spot market for More competitive gas, however, nor, with pipeline transport, is it a commodity more efficient use of domestic which can be easily switched and imported energy resources around to the buyer with the should make East European pro-

Soviet gas exports to the West can only easily go in two directions...-Western Europe and Japan. Unfortunately for the USSR, neither the political nor economic climate in either area hold out any real prospects for

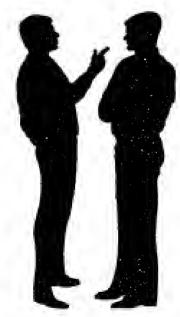
to adopt the same adjustment policies which are now being pursued so painfully by its smaller Comecon neighbours.

TOM SEALY

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and other food products.

Increasingly it is also becoming a market for Western farming Not surprisingly under the

pends about \$12bn annually, nearly 40 per cent of its total hard currency income, on the import of grain, meat, butter technology, equipment and know-how. This year the harvest is

believed to bave been the best for five years with grain production of around 200m tons. But elsewhere in Eastern Europe drought has reduced yields; in tunity East Germany, Hungary, future. Romania and Bulgaria.

and food processing capacity.

Industry newspaper graphically illustrated the kind of problems which still plague Soviet agriculture despite the fact that over the last two five-year-plans no less than 76bn roubles, over £60bn, has been invested in new farm machinery alone. The Rostov Farm Machinery

plant produces more combine harvesters than the entire U.S. industry. After years of re-search and development it introduced two new models the Niva and the Kolos in the early 1970s. In a decade Rostov produces enough to replace the entire Soviet combine fleet.

with the new.

The reason given for this poor broke down on average every producing amaller, more specia-widely different 500-hectare 5.7 hours while the Niva lised equipment and chemicals. plots in four separate areas of

THE SOVIET UNION alone managed 5.7 hours between spends about \$12bn annually, breakdowns.

"Low quality and low reliability are undoubtedly the greatest scourge of farm machinery today," the paper

circumstances the Soviet authorities have been looking to cooperation with foreign com-panies to improve the reliability and endurance of their farm equipment and this promises to become a major market oppor-tunity for the foreseeable

Romania and Bulgaria.

In the Soviet case, however, good barvest years create almost as many problems as bad as they are usually accompanied by increased crop losses due to machine breakdowns, inadequate storage, transportation and food processing capacity.

Trade of this kind does not fall foul of present or foresee—able sanctions, especially in the grain deal signed in July under which the Soviet Union agreed to take a minimum of 9m tons of U.S. grain annually and the U.S. side promised to the processing capacity. An article in the Socialist pose agricultural sanctions in future.

Deal cancelled

U.S. sanctions policy after the invasion of Afghanistan scuttled a proposed \$300m deal under which International Harvester would have supplied equipment and technology to the Soviet Union over a five year period. But negotiations on a less ambitious plan are still continuing which will not involve equipment or plant construction but would provide the Soviet Union with the technology, know-how and assistance to build International Harvester Axelfio comhines in the Soviet Union.

Despite the vast sums spent on modernising the plant and Union has shown a strong has building the new machines towards the construction of however, the average acreage giant plants, both for building harvested per shift has only blg agricultural machines and increased from 7.2 hectares with tractors and for the production the old model to 7.3 hectares of agricultural chemicals and fertilisers.

Increasingly, however, the em-

A typical example of this the Soviet Union and try to trend can be seen in the contract awarded to two Italian levels.

Companies, Goldoni from Carpi in Reggio Emilia, which produces small tractors and culti-

Soviet Georgia where the hilly terrain and small fields are simi-lar to the Italian hill farming for which the machines were

A buge market for small farm implements of this kind could develop if the slow trend to-wards encouraging small-scale private farming continues. Many foreign observers be-lieve this to be inevitable in order to counter the drift from

the land and raise productivity to compensate for the rapid ageing of the rural population.

But great ettention is also now being paid to raising yields by a combination of more scien-tific application of fertilisers and more skilful use of pesticides, insecticides and herbi-cides. The Soviet chemical industry is not very sophisticated and consists largely of imported plant producing basic bulk chemicals and textiles.

This has opened a growing market for Western specialist chemicals of all kinds, especially for agricultural chemicals

Imperial Chemical Industries (ICI) is one of several Western companies which have signed long - term trade and co-operation agreements with the bidding Soviet Union putting this trade on a long-term besis. In Octo-ber ICI took co-operation one stage further with an agreement performance is that the engines phasis in future is likely to be to apply Western technology, of the new Kolos machines on building smaller factories chemicals and methods to four

Food trade escapes sanctions

As such it joined a lengthenin Reggio Emilia, which produces small tractors and cultivators suitable for small private
plots and Ruggerind of Modena
which produces small air-cooled
diesel engines which can be
used both to power small tractors, implements and pumps.

Both tractors and engines will
be produced under licence in

Soviet southers to help improve the scientific level and
effectiveness of wide areas of
the Soviet agro-industrial complex from plant and unimal
breeding to food processing,
additives and bit-chemistry.

New techniques.

The Soviet Union has ear-marked nearly a third of all in-vestment funds to building up the agro-industrial complex over the present decade and the growing number of specialised agricultural trade fairs and specialist exhibitions and semi-nars now being held in the Soviet Union provides a useful framework for insiding up conframework for building up con-

Elsewhere in Eastern Europe, Hungary and Bulgaria in par-ticular have already mastered many new farming and distri-bution techniques and the Sowiet Union is envious to satisfy much of its modernication programme in co-operation with its Comecon partners.

with its Comecon partners.

This means that joint ventures or technology transfers to other Comecon countries estated by the potentially much larger Soviet market.

Hungary and Romanis as members of the World Bank and the Instructional Monetary Fund, have access to World Bank finance for agricultural improvement schemes. As these contracts are let out to international tender. Western companies have open access to the

one of the oiggest opportuni-ties in recent months has been for the supply of grain storage. handling and barvesting equip-ment to Hungary under a \$130m. World Bank loan

ANTHONY ROBINSON The state of the s

EAST-WEST TRADE III

East-West trade seems to have a way of ignoring the on-off dialogues of the politicians. Below are progress reports on the trade relations between the West and the seven Comecon countries



THE DAYS of the Soviet mega-contract are over. The buge turnkey projects which once were a feature of trade with the Soviet Union have been re-placed by a much more selec-tive approach. This reflects the eral shift of Soviet investment priorities towards the modernisation and technological updating of existing factories rather than huge, capital inten-sive green field projects. Old habits die hard but

Soviet nlanners are now trying to put across tha message that small is beautiful and specialisation is the key to higher produc-tivity. Partly, this is a response to the slowdown in overall economic growth and partly to realisation that even in the Soviet Union natural resources

are neither cheap nor infinite. In theory this means that small and medium-sized specia-list firms in the West are now much more interesting to Soviat trade delegations and foroign trade organisations than in the past. Part of the evidence for this can be seen in the growing number of specialised trade fairs and technical seminars.

Much depends, bowever, on the nature of the product and whother it fits into the priorities in the Soviet plan.

The most profitable line of business is selling high tech-nology products and machines barned under CoCom rules. The Soviet Union has stepped up its economic intelligence gathering activities and one of the most important functions of Soviet trada missions and other Soviet officials abroad is to seek out the kind of products and machines required by the Soviet military economy.

But while the Soviet Union But while the Soviet Union has increased its industrial intelligence functions and stepped up the search for businessmen willing to make high profits by bending CoCom rules western customs authorities have created new specialised teams to watch out for false documentation. unexplained documentation, unexplained changes in destination on the bigh seas and other tricks of

The UK customs and excise

for example recently set up a done on a cash basis with iried special East-West trade unit to keep a closer eye on dubious ahipments from the UK.

done on a cash basis with iried and trusted long-time trade partners.

Perseverance and mutual

The interception rate and the risks involved in this trade have increased as a result, witness the most recent impounding of missile-guidance-capable computers re-directed from South Africa to Scandinavia on the way to the Soviet Union.

Few embargoes

The bulk of Soviet trade is legitimate bowever, reflecting the fact that embargoes only cover a relatively small number of high technology items while the recent FFr 1bn (£85) the bulk of Soviat imports are foodstuffs, raw or semi-finished industrial goods and medium new Soviet hatch-back.

Despite all the harsh

ducts at short notice. These are often required to make up for shortfalls which have suddenly appeared in one or other aspect of the planned economy. Spare parts, screws, steel plates, basic chemicals, plastics and a huge range of such mundane products make up a high proportion of such trade which is usually

trust built up over long years of repeat business is the key to success in the Soviet market and the most successful traders are those who keep going back and forth and bonour contracts to the letter.

Political factors are also important. French Government demands that the Soviet Union step up industrial imports from France to ensure balanced trade were factors in ensuring French contracts for a complex, sour-ges project near Astrakian and the recent FFr 1bn (£85m) contract won by Renault to supply know-how and equipment for a

Despite all the harsh words West Germany and Finland in the past the Soviet authoriare two of the most valuable ties noted Mrs Thatcher's trade pariners for the Soviet refusal to toe the U.S. line Union, not because they are over Siberian gas pipeline sources of high technology proorders and are aware that ducts but because they are well-organised to supply a wide companies some will drop out range of perfectly ordinary pro- of the bidding for future deals.

This may not be in the broader Soviet interest. Soviet FTO's like to take the fullesf edvantage of their position as monopoly buyers by playing off companies and countries against each other to obtain the best terms. The more players in this game the better, from the Soviet resist of ries. point of view.

seeking to do business with Czechoslovakia. However, Prague estimated interest payments this year of \$600m.

> kets while buying and selling spot oil in Rotterdam. The result of all this effort

is that the country's debt service ration at the end of 1982 was estimated to have



fallen to some 29 per cent.

Western bankers report that

despite the onerous structure of the East German debi-

some 58bn due this year and next out of a total estimated debt at between \$10jbn and

S12hn—payments by Deutsche Aussenhandolsbank (Daba) in East Berlin continue like

West German bankers say

they would be prepared to follow up their loan last June of DM 1bm to East Germany

with a similar credit but only if the West German Govern-

ment again provides a guaran-tee. Bonn, however, notes that East Germany will first have to live up to the unwritten agreement that it will improve

"humanitarian" contacts be tween East and Wes

Non-German Western banks

which have refrained from dealing with East Germany in recent years are reported to be taking a fresh look at

to be taking a fresh look at the country in view of its excellent payments record.

The price of course is being paid by East German industry which is deprived of budly needed capital goods from the West and by the

East German consumer whose personal consumption foll in real terms last year and in the first half of this year.

In order to provide vital imports for production withont paying hard currency,
East Germany has switched its source of imports to West
Germany. The clearing system trade between the two Germanians of this provides the system.

manies is conducted in units of account equal to the D-Mark and East Germany pays by exporting its goods to West Germany. East German cumulative deficit in

inner German trade has reached DM 4.8hu and West

Germany says this is the

The best bet is that West German banks, acting under

clockwork.

BY LESLIE COLITY

EAST GERMAN officials say the economy is back on course and will fulfil the ambitious target of 4.2 per cent growth this year in national income. Last year's results were a disappointing 3 per cent growth in national income compared with a target of 4.8 per cent. East Germany, however, still managed the highest growth rate in Factors growth rate in Eastern Europe after Bulgaria.

The country's loader, Herr Erich Honecker, recently said "a considerable" surplus has again been achieved in East germany's hard currency trade. Last year's surplus was a bealthy \$800m with coun-tries in the Organisation for Economic Co-operation and Development and \$700m with

developing countries. Hard currency imports were slashed last year to achieve the surplus and the process has continued this year, Bast Germany has left few stones unturned in its dogged pursuit of debt reducn. Its annual income in D-Marks from West Germany for transit fees to West Berlin and other revenue connected with the city and with West Germans visiting East Germany is equal to its

East German state traders epenly speculate in silver and commodities on Western mar-

pressure from the alling steel industry, will come across with supplier credits for steel deliveries to East Germany while the Bonn Government will gugrantee.



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its enterprices comprises the whole range of the aluminium

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BY CHRISTOPHER BOBINSKI

AS IF three years of import austerity for Poland were not enough, next year will be the same, for Western exporters

at least. Those businessmen, and the numbers visiting here are creeping up who are doing business and who have manbusiness and who have managed to corner some of the \$4.5bn which went on imports from the West this year are not complaining, however,

Deliveries on the basis of confirmed letters of credit

which is the way most goods are delivered to Poland now may not be terribly ambitious prompt and sure.

A degree of decentralisation bas also come to foreign trade with the hard currency reten-tion accounts which enable companies to keep back a per-centage of their export earnings and spend them as they see fit. Until the end of October this year 11 per cent of export carnings were deposited on these accounts and \$340m or 10 cent of total imports from West were purchased in

Next year, with a mere \$200m in fresh Western credits pen-cilled into the balance of pay-ments plan of Mr Stanislaw Nicckarz, the Finance Minister, the squeeze on import finance will continue and almost all of it will take place on a cash

this year Poland managed to raise \$600m-worth in new credits including a loan from China and a complex relationship with Libya whereby Poland was lent \$230m to buy and resell Libyan crude, not et a loss Polish officials insist.

Even so, hard currency imports dropped by 2.5 per cent in value compered with 1982 in value compered with 1982 while exports valued by the year's end at \$5.6bn will rise

by 12.5 per cent.
In 1984, Mr Nieckarz is estimating that he will be spending \$4.8bn on imports, a rise of 4.4 per cent. A quarter of his hard currency income, mado up of \$6.2bn in sales of goods and construction work goods and construction work and \$500m in invisibles, will go on debt servicing. That repre-sents an easing from 1983 when \$0 per cent of Poland's hard currency income went on debt payments amounting to \$1.8bn.

The structure of imports in 1984 is also unlikely to change much from this year's; 80 per cent of spending going on raw materials and semi-finished products, 7 per cent on capital goods and 15 per cent on the bare minimum of consumer

goods.
The great weakness both this year and next is the export capability of the electroengineering sector which accounts for some 25 per cent of exports and runs from ships through cars, washing machines to industrial machinery.

Here quality is down and technology falling increasingly behind. This year the sector failed to earn a planned-for \$180m. The shortfall was made up of above planned sales of raw materials.

At the same time the plan-ners are wondering whether increased coal seles might plug the gap. This year 19m tonnes went to the West while 16m tonnes were sold to Comecon. Whatever bappens, import needs are said to exceed the planned figure for next year by around \$1bn in value. The trade surplus over the past four chances that this can be corned years and has cut its aiready moderate hard currency debt to in extra exports are poor.





BY LESUE COUTT

OFFICIALS IN the Czecho-slovak Ministry of Finance say the country will have economic growth of 2 per cent this year — thus meeting the planned target — which is to expand to an annual growth rate of 3 per cent for the rest of the 1980s. This would represent a con-siderable improvement in national income (equivalent to GNP) which grew by only 0.4 per cent last year and 0.2 per cent in 1981.

An important factor in meeting this year's target has been a good grain harvest of 11m tonnes along with higher indus-trial production. The most important sector, mechanical engineering, is said to have boosted output by 4.8 per cent in the first half of the year while failing by a wide mark to

Czechoslovak hard currency exports rose, in fact, only 1.3 per cent from January to the

meet the goal set for hard cur-

end of June and the blame once again is placed on the problem child, mechanical engineering. A surplus was nevertheless produced by further slashing imports from OECD countries by 7.1 per cent. The Koruna 3.3bn surplus in the first seven months of the year was convalent to £336m at the commercial rate of exchange although some Western trada officials say a more accurate agure would be closer to £150m.

Czechoslovakia's net hard currency debt in mid-1983 was estimated at between \$3.2bn and \$3.7bn, Mr Lubomir Strongal, the Prime Minister, said the debt level has been reduced faster than expected.

By comparison with its fall in trade with OECD countries, Czechoslovakia's exports to Comecon were up by 9.4 per cent in the first half of this year while imports from Comecon rose 18.5 per cent.

country apart

from Bulgaria. This sounds less than aus-

economics officials say foreign trade turnover which now makes up one-third of national income will rise to 50 per cent in the future. This would mean that although the share of trade with the West remains static, the volume will grow.

Mr Strongal has been the leading critic of his country's industrial performance, noting that central planning has falled to exert pressure to improve company profits while the undifferentiated wage system impeded gains in labour pro-ductivity. Reforms though are expected to be gradual in nature as increased factory antonomy is viowed with suspicion by the leadership.

The economy finds Itself in much the same predicament as in East Germany. Czechoslovak machinery is no longer easy to sell to other Comecon partners because of the decline in their investment programmes. It is even more difficult to sell for

Western exhibitors at the Brno Trade Fair in September Trade with Comecon thus reached 77.6 per cent of Praguo's total foreign trade, a higher proportion than in any the plan. Wr Stronges in fact the plan. Mr Strougal in faccriticised the high level of stocks in industry which he said resulted from failure to make piclous for Western companies the right products.



BY DAYID BUCHAN

HUNGARY HAS pulled off another financial balancing feat this year, using a hard currency surplus carned almost solely on trade with the East to keep pay-ing its debts to the West and

even to persuado its Western creditors to lend it more money.

The way this juggling act works can be seen from trade figures for the first half of 1983.

Against at \$121m deficit with developing countries, Hungary had a tiny surplus of \$17m with the West (a big improvement none the less on the January-June 1982 deficit of \$481m) and a large surplus of \$268m with its Comecon partners, chiefly the Soviet Union.

The same pattern over the whole year should allow Hungary, in the view of Budapest officials, to get within striking distance of its 1983 goal, agreed with the International Monetary Fund, of a current account surplus of \$860m

Whether this overall improve-ment is sustainable into 1984 is open to some doubt. It is not just that the narrow surplus with the West has been achieved mainly by import cuts, achieved mainly by import cuts, the result of restrictions on raw materials and components introduced in autumn 1982. There must also be a question mark over how long the Soviet Union and other Comecon countries will want to continue paying for a large alice of their imports from Hungary in convertible currency, particularly when Hungary is running e deficit on its ordinary "rouble trade" with them.

Certainly, Hungarian food is

Certainly, Hungarian food is of a quality to fetch a hard currency premium inside Cometon, but drought this summer is likely to cost Hungary \$200m in lost exports, the Government admits.

It is thus easy to see why the Kadar Government is particularly anxious that the former Soviet ambassador to Budapest, Mr Yuri Andropov,

Its leading Western trade companies to do business with, partners are West Germany, The Government plans Switzerland. France, Greece, further liberalisation of price

and waga controls next year, on top of this year's changes which include breaking up some mechanical engineering and the larger companies and creation electronics industry, with the of a bond market to channel output of products with low-private savings into industry, metal and high-complexity con-agriculture and some public services.

> However, Hungary is clearly not disposed to increase imports from the West much until its external finances are in sounder



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Komania

BY DAVID BUCHAN

ROMANIA HAS put its external finances into far better order in 1983. But though its probin 1983. But though its prob-lems are on a far smaller scale than those of Poland, its domestic economy remains almost equally depressed with food rationing and power shortages, the result of bad luck and management. By cutting hard currency imports and to a leaver extent

imports and to a lesser extent raising exports, Romania had a convertible currency trade surplus of \$711m in the first half of this year, putting it on track for a yearly surplus of \$1.6bn, up slightly from \$1.5bn

A 1983 current account sur-plus of \$800-\$900m (after debt interest is paid) will, accord-ing to Mr Iulian Bituleauux, the deputy finance minister, bo devoted to bringing the total

Bulgaria

BY TOM SEALY

BULGARIA is now the only

East European country to keep to its original target in the

current five-year plan. It has

also had the fastest growing economy in Eastern Europe from 1981 to 1983. It has main-

tained a haalthy hard currency

Government, having rescheduled its western bank and government debt for the past two years, is set against doing so again in 1984. While Romania is getting little new bank credit, some lines of official trade credit have been

This appears to reflect a somewhat better performance by Romania in paying Western companies on time. Previously Romania had tended to give smaller foreign businesses the run-around on payments, ironic in view of the fact that it is also the Comecon country which has exerted the strongest pressures on foreign suppliers to accept countertrade or

While all Comecon countries want to pare their foreign debt, no leader has been as ambi-tiously specific on this as President Nicolae Ceausescu who set Romania the twin goals for 1984 of repaying a quarter of the debt and meeting targets which have been missed for the past three years.

Mr Ceausescu softened the afford another cost increase in impact of this by telling Romanians that prices for inclusive of the priority export drive.

Until the energy tangle is sorted out, Romania will not be ing official prices may only aggravate shortages and enumber to or from the West.

foreign debt to below \$9bn by couraga the unofficial black the end of this year and to market, a fact that the Presibuliding up reserves, which dent seemed to ecknowledga were only \$675m by mid-1983.

The Government, having crackdown on "profiteers."

It may also bring Romania into a clash on policy with the International Monetary Fund, which now has a much-needed three-year adjustment gramme underway for underway for country.

Romania is already unhappy with IMF policy for its energy sector, the acknowledged Achilles beel of the economy. This is paradoxical since Romania is the only Comecon oil and gas producer of signifi-cance behind the Soviet Union.

The trouble lies partly in the very beavy oil use by the Romanian refining and petrochemical sector which has capacity of more than 30m tonnes a year and present throughput of little more than half that, and partly in pricing policy.

The IMF has been urging Romania to price its own hydrocarbons nearer the world level, but has been meeting increasing resistance to this in Bneharest. The Government belioves that after two energy price rises already this year Romanian industry can ill afford another cost increase in view of the priority export drive.

the West by 50 per cent between 1978 and 1983. Over the past three years Bulgaria has managed to achieve an average annual growth of 4.6 per cent in national income, 5.1 per cent in industrial output and 2.5 per cent in agriculture. The output of the machino building and electronics industries bas increased by 9 per cent a year, the chemical and rubber indus-try by 9.1 per cent and the production of electricity by 6.6

The intention is to maintain these average growth rates until the end of the current five-year plan period.
This current end future

development makes Bulgarie a prime target for Western business. The problem, however, is the size of this market. Not only is Bulgaria the smallest Comecon country, but some 75 per cent of its foreign trade, totalling 21.6bn leva in 1982, is conducted with the other econ states.

In the eame year its hard currency trado amounted to \$5.85n of which \$3.25n was with the developed West and It is also important to note stays at the helm in the that although Bulgaria's hard Kremlin.

Currency trade was in overall The Kadar Government surplus last year, this was duo seems confident that it has entirely to its trade with the Moscow's good will in pressing Third World which produced a on with its market-oriented surplus of \$1.3bn. Trade with reforms, which among other the developed West showed a \$652m deficit.

The Loading World Comecon country for Waster things have made it the easiest Comecon country for Waster the stays at the helm in the stays at the \$2.6bn with the Third World. It is also important to note

Italy and the UK. Faster than normal rates of devolopment are planned for

tent, rising by 10.2 per cent. In foreign trade, the priorities are transport, the machine building industry, electronics, Instrument manufacture, pulp and paner and tourism.

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CARLO DE BENDETTI

Olivetti's chief executive

America accounted for only 8

per cent of group sales in 1982,

68 per cent

against Enrope which made up

AT A T will fill Olivetti'a

gaps on the telecommunications

side: Olivetti will market AT &

T PABXs, telephone terminals and tele-typewriters and the

agreement with Northern Tele-com will gradually lapse. Access

FINANCIAL TIMES

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Thursday December 22 1983

OECD and the dollar

"GARBAGE IN, garbage out."
is a slogan well known to computer users, but tess often cited in criticising economic projections; but there are occasions when the question has to be raised. The latest Economic Outlook from the Organisation for Economic Co-operation and Development (OECD) is just such an occasion, and it is greatly to the credit of the greatly to the credit of the OECD secretariat in Paris that

it is raised in the report Itself.
The key question is hardly
written in letters of fire—the organisation bas an unfortunate bouse style.

"It may be felt," says the opening sentence of the section on international monetary developments "that on this occasion the technical assumption of unchanged nominal ex-change rates adopted in the preparation of the OECD's forecasts is at odds with the un-balanced pattern of current account positions which results." Or to put the same thought as a blunt question: can the U.S. possibly go on plung-ing into deficit without the dollar coming unstuck?

. Mr Stephen Marris, who bas recently retired from a distinpuished career with the OECD, be regarded as likely.) First, has already published hia own U.S. real interest rates are answer in a widely-noted likely to remain high, with magazine interview. No. The monetary policy tight; aecond, dollar will, in his view, fall any appearance of dollar weaksharply thus making nonsense of any forecast which assumes that it won't. Last night's esti-mate of fourth-quarter GDP capital flows needed to finance growth in the U.S., which shows a sharply slowing growth of output, while consumer spending continues at a high level, suggests that the current account slide may be banpening earlier and faster even than the OECD's projections — which it itself finds so questionable would suggest.

The OECD is not really to be blamed for this difficulty; Its "technical assumption" is, in fact, a bureaucratic necessity. It is simply not possible for an international organisation of this kind, pald for by governments and working closely with their officials, to do otherwise. If the OECD could be blamed for a run on the dollar - or any other currency — its funds

of the OF

make their own forecasts more interdependent - so that they do not, for example, base their national policies on the hope that all of them can increase their exports to the other members, while reducing their imports. The forecasts themselves therefore usually inspire a strong feeling of what another recently retired OECD official bas called "deja prevu."

Constraints

In sbort, the forecasting side of the OECD is constrained to behave rather like a computer. which cannot avoid a certain amount of garbage going in-both in its "technical assumptions" and in national forceasts. The results should be read with

suspicion.
Fortunately, however, these very able officials can cast off such constraints when they such constraints when they come to tackle the technical iasues which lie behind any forecast, and here the latest outlook is uncommonly rich. On the dollar - to end any suspense readers may be suffering
— they point out that there are
two strong factors likely to limit
any downward move (which
does, between the lines, seem to
be regarded as likely.) First, ness will give other countries an opportunity to cut their own

the U.S. deficit will be sustained by a wider interest rate gap. In any case, part of the U.S. deficit is due to the fact that the U.S. economy is growing much faster than any other; and bere the technical chapters suggest that this gap could close too. The forecasts for non-American economies may be too cautious because fiscal policy, corrected for cyclical and inflation officers. inflation effects, is now being relaxed in many European countries — including the UK.
This is mainly because falling

inflation automatically makes budgets less restrictive — both because revenues tend to fall faster than costs like debt ser-vice, and because savers are better off and spend more. And the inflation news is Itself good; would soon dry up.

For similar reasons, the country forecasts are not "independent," as is commonly supposed, model based on past experience field is to persuade official fore holly on the cover of this issue,

The options for Arafat

MR YASSIR ARAFAT is once by Syria which bad long been again steaming defiantly away uneasy about the risk of Mr from his objective — at least in Arafat doing a deal behind its the geographical sense. The Palestinian leader's second evacuation by ship in little over a year is carrying bim even further from the shores of Palestine and the 1.2m people whom alternative he is purportedly attempting to leadership. free from Israeli occupation.

he steps ashore is to swop his sbip for an aeroplane and resume flying in circles around the Middle East, the prospects he has learned something from a threat to those Israelis the seiges of Beirut in the sum-mer of 1982 and of Tripoli over the past two months, then a new approach to peace in the region might be opened up.
It should surely be obvious

now to Mr Arafot that the Palestine Liberation Organisation, or whatever part of it he still controls, does not have a military option. Over the past 13 years bis guerrillas nave fought sometimes tenaclously but always futilely against the might of the Jordanian, Syrian and Israeli armies.

Wrong policies

Arabs bave killed more Arabs recently in the quest for a Palestinian homeland than they have killed Israelis. And while all this has been going on Israel has acquired almost total military surremany in the and Gaza. But the formula has been going on Israel has acquired almost total ment building in the West Bank and Gaza. But the formula has military supremacy in the region, a far tighter grip no even closer alliance with the U.S.

priced disastrously wrong. There was a hint, earlier this year, that Mr Arafat knew they were wrong. He went several times to Amman and talked at length with King Hussein of Jordan about forming a joint delegation which would declare its willingness to negotiate with

and abandoned the attempt. The split in Fatab blossomed into rebellion, vigorously fuelled Middle East.

captured the most radical elements of the PLO but has not succeeded in erecting a credible alternative to Mr Arafat's

Israel'a reluctance to allow If all Mr Arafat does when Mr Arafat to escape in one steps ashore is to swop his plece from Tripoli on Tuesday reflects in part a desire for atonement for terrorist acts and in part Jerusalem's concern that for an eventual solution to his Mr Arafat might change his tacprime preoccupation will remain tics. A flexible PLO supported as bleak as they are today. If, by Arab states willing to make instead, he demonstrates that peace with Israel is far more of wish to absorb the West Bank and Gaza than a snarling mob shouting death and destruction to the Jewish state.

The possibilities which Mr explored nine months ago have not gone away.

The majority of Arab states have shown clearly enough this year and last that they were not willing to lift a finger to belp Mr Arafat out of his military plight. But at Fez in the autumn of 1982 they did put their names to a declaration which implied eventual recogni-

and Gaza. But the formula bas never been tried.

The Arab states are currently discussing a date for the summit meeting that was postponed U.S.
In short, PLO policies have priced disastrously wrong.
There was a hint, earlier this year, that Mr Arafat knew they were wrong. He went several times to Amman and talked at length with King Hussein of majority of Arab moderates to length with King Hussein of the length with the l translate those anxieties into a counter-blast of positive peace proposals will require an act of its willingness to negotiate with Israel over the future of the West Bank and Gaza, as proposed in President Reagan's the remolest guarantee that such an initiative will bear fruil. But there is a greater likelihood that Mr Arafat failed to swing o further vacillation by Mr Arafat hig enough majority in Fatah, the main guerrilla organisation, only strengthen the bands of these states and area of the strengthen the bands of these states are strengthen the bands of the states are strengthen the bands of the states are strengthen the bands of the states are strengthen the strengthen th

THE agreement announced yesterday between Olivetti and American Telephone and Telegraph marks the climax in the almost uninterrupted rise of the Italian data processing

equipment manufacturer in the last five years. Yet it also signals the limitations of the far smaller Italian company's product range and its ability to fill the gaps in it. In a hroader context it underlines the relative weakness of European data processing companies alongside

their powerful U.S. and Japan-ese competitors.

Under the agreement, Olivetti is to distribute AT&T telecommunications products in Europe while AT&T will sell Olivetti products in its own, predominof the control of the operate on the joint develop-ment of new products and will exchange licences for the manu-facture of each others' products. This gives Olivetti access to AT&T's Bell laboratories, the world's largest telecommunica-tions research centre.

AT & T will also subscribe to a capital increase by Olivetti, which will give it 25 per cent of the Italian company, with an option to go up to 40 per cent after four years,

Five years ago, when Olivetti was a atruggling, debt-laden company best known for its mecbanical typewriters, the idea of such an agreement with a colossus like AT & T, which after divestiture will next year have turnover of nearly \$57bn
compared with Olivetti's compared with Oilvetti's expected 1983 sales of about L3,600bn (\$2,2bn) would have been unimaginable. Yet last year Olivetti became

the biggest European-owned computer manufacturer on the computer manufacturer on the continent, and the second big gest company in its field in Europe after IBM. This was achieved partly by acquisitions in France, West Germany and Switzerland, but mainly thanks to the self-generating growth during the period since 1978 when it bas been managed by Sig Carlo de Benedetti, until mation equipment, with manual and electric typewriters taking only 15 per cent only 15 per cent around at Olivetti became evident, the company succeeded in raising oew capital in Italy, reducing its once overwhelming debt and producing steadily rising profits. The group made a net profit of L1028bn last

AT&T's Christmas shopping trip to Europe bas added to the

growing turmoil in the world's communications industries. New markets, new products and soaring development costs are lead-ing to a growing number of International industrial alliances. Increasingly telecommunica-tions maniacturers, data pro-cessing companies and office development costs and open up ing competitors as technology breaks down the barriers between the different activities. AT&T's purchase of a 25 per cent stake in Olivetti, Italy, is a direct result of the major breaking up of its domestic business, and represents the company's second major link

The new agreement with Olivetti combines AT&T's undoubted strength in telecom-munications with Olivetti's abilities in office equipment and data processing. And through the alliance, the two companies gain access to new large market for their products.

Both links are typical of development costs and open up new markets. In public telephone exchanges, the largest cost is the extraordinarily complex task of producing the computer software which is needed But in the area of office automation, development costs are high because of the diversity of technologies, products and skills.

with a European company. Last Summer AT&T formed a joint venture with Philips, the Dutch venture with Philips, the Dutch electricals group, to market public telephone exchanges on an international basis.

The cost of developing the new generation of public digital telephone exchanges is becoming prohibitively

Philips also spent a major sum developing its own system before it abandoned the attempt and joined with AT&T.

Few companies or even countries can afford the deve-lopment costs and are therefore willing to establish joint ventures rather leave the market altogether. AT&T hopes the link with Pbilips will give it much better access to markets which the European company which the European company knows well.

In Italy, General Telephone and Electronics of the U.S. bas co-operative agreement with taltel (state-owned) and Telettra to develop a digital tele-phone system. In Britain the development of System X, its new digital exchange, is being handled jointly by Plessey and GEC-Telecommunications.

plex new busine

Honeywell, a leading U.S.

tion. IBM is already a major the Canadian telecommunications to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are almost totally confined to the U.S. By contrast AT & T's sales are

to the U.S.

However, even IBM is not able to develop all the technologies it needs for these complex large businesses. In the strength of the Philips/AT & T under the large businesses. In the strength of the Philips/AT & T wender the philips/AT & T we in Rolm, the high flying U.S. suppliers.

cations equipment.

In France the telecommunica-

In return Olivetti will cease to be an almost wholly European-owned company. According to Sig de Benedetti, AT&T originally wanted to buy the whole of Olivetti, and Sig de Benedetti sees nothing to stop it fulfilling is option to go up to 40 per cent ewnership in

> Olivetti will not be swamped by the Americans, who initially will have only six of the 21 board directors. But there are superficial parallels with the 1980 deal with St Gobain, the French industrial company French industrial company which brought new capital to Olivetti and rapidly built up a 33 per cent stake. At the time the funds were badly needed and Sig de Benedetti had high hopes of an industrial co-operation agreement and increased access to the French market.

four years time. The U.S. glant

will bring in L430bn of new

In the event the French company moved slowly on industrial co-operation. Then in mid-1981, co-operation. Then in inicises, the French socialists came to power. They confirmed all Sig de Benedetti's worst fears about European industry by nationalising St Gobain and setting in train a "reorganisation" of the French electronics industry which in effect threw it into turning them which it is only now moil from which it is only now

Only a few weeks ago Olivetti finally reached an industrial agreement with the French for the making of electronic type-writers. The French Government-held stake, now in the hands of CIT Alcatel, was reduced to 10 per-cent and it will now decline further in relative terms. This satisfied Sig de Bene ettl's strongly held feeling that nationalised companies should not have a dominant position in the ownership of one of Europe's more successful of Europe's more successful large private enterprises.

-3:21 k

fin R

- In any case, since the French stake was first taken Olivetti has grown in stature. Sig de Benedetti long wanted ties with a major U.S. company in his field. Now he has got them.

MAJOR EUROPEAN COMPANIES

Atlantic-Richfield. In the UK

O PLESSEY, UK. Owns

stromberg-Carlson, a U.S. telecommunications manufacturer, and has small stake in Scientific-Atlanta, the U.S. satellite equipment company.

Until recently licensed PABX from Rolm in Cali-

fornia and also licenses some Japanese products. It is lead contractor in the joint development of System X.

Britain's digital telephone exchange.

GEC TELECOMMUNICA-

TIONS, UK. Involved with Plessey in joint development of System X and ilcensee of Northern Telecom's private

exchange,
TIT, U.S. Major supplies

ITT, U.S. Major supplier in many European markets through subsidiarles. Its digital exchange, System 12, has been sold in West Germany, Norway and Italy.
 ITALTEL, Italy. Major co-operation in public switching with General Telephone and Electronics of the U.S. and Telettra.

has joint venture with Thorn

EUROPEAN TELECOMMUNICATIONS

Olivetti teams with a colossus

By James Buxton in Rome



CHARLES BROWN AT & T chairman

The electronic typewriter was the spearbead of a new generation of office products. And Olivetti bas turned itself predominantly into a data processing equipment and elec-tronics company. In 1982 more than 70 per cent of group turnover came from distributed data processing and office auto-mation equipment, with manual

now the company's biggest year on sales of L3,341bn. Sig are IBM and the Japanese," he foot of the Alps in Piedmont, single sharoholder.

The electronic typewriter was the spearbead of a new cent were "fantastic for Italy, compete with them." foot of the Alps in Piedmont, is also weak in its penetration of the U.S. market, despite compete with them." excellent for Europe but by no means good internationally." And that is part of the point. On a more detailed level
Olivetti's success masks important gaps. The electronic office
la based on a triad—distributed
data processing equipment, office
equipment and telecommunica-

PHILIPS, The Netherlands.

Major alliance formed this year with AT & T. Joint

venture company set np to market AT & T's digital

public telephone exchange in international markets. On a

international markets, On a much smaller scale, Philips has also licensed a PABX from Rockwell in the U.S. which it is selling in the U.K. • CIT-ALCATEL, France. A major reorganisation of

major reorganisation of France's two leading elec-tronics groups Companie Generale d'Electricite (CGE)

Generale d'Electricite (CGE) and Thomson has resulted in the creation of one major telecommunications company.

SIEMENS, West Germany.

A major supplier of telecommunications in West Germany. Slemens has not built

any major alliances with other

LM ERICSSON, Sweden.

Set up joint venture in the U.S. with Honeywell, the U.S.

computer and control systems group, to develop new pro-ducts integrating voice and

data communications. Also

has long-standing joint ven-ture company in the U.S. with

The turnround of Olivetti has made Sig de Benedetti the most prominent and most quoted tions devices. The elegant Olivetti products are strong in businessman in Italy. But he is pre-occupied not just with the industrial and technological backwardness of Italy—where the first two of those fields, but weak on the third — telecomthe words data processing still mean little to most people—but of Europe. He feels Europe has broadly missed the chance of the last few years to restructure its industry, and match the technological innovations made of the UK.

weak on the init — telecont munications, Olivetti currently manufactures PABKs (Private Aummated Business Exchanges) — under licence from the Canadlan concern Northern Telecom, and also from Plessey of the UK. Aummated Business Exroadly missed the chance of he last few years to restrucure its industry, and match the chanlogical innovations made
y the U.S. and Japan.

"Olivetti's main competitors

Aummated Business Exchanges) — under licence from the Canadian concern Northern Telecom, and also from Plessey of the U.S. (about \$250m worth in the first year) will mean a major increase in Olivettis sales there. by the U.S. and Japan.

THE GROWING NUMBER OF INTERNATIONAL ALLIANCES

IT&T spent about \$1bn deveit is facing a major battle in the munications. ICL, the leading tions industry has just underloping its exchange System 12. future with IBM for the growBritish-owned computer group gone a major upheaval. The it is facing a major battle in the munications. ICL, the leading tions industry has just undering markets in office automa- also has close links with Mitel, telecommunications business of

summer it bought a 15 per cent stake (subsequently increased) telecommunications group which had a particularly successful private telephone ex-

computer group, also set up a joint venture with LM Ericnew digital exchange, is being handled jointly by Plessey and GEC-Telecommunications.

Yet AT & T also knows that integrate voice and data com-

telecommunications companies vative Government has brought.

sized telecommunications manu-facturer in the U.S., and has developed close links with Scientific Atlants, a leading pro-ducer of satellite and communi-cations equipment

larged grouping has in turn been in discussion with other

AT & T has tended to atrike major changes to the leading fcar into European companies suppliers. since liberalisation, Plessey reputation and size in the U.S. has begun a drive to establish itself in the U.S. It bought Stromberg-Carlson, a median coherent policy in technology in technology.

Jason Crisp

Men & Matters

TV treatment

Signals from televisinn transmitters that brought the nation such programmes as Emergency Ward 10 are being redirected to real medical use in hospitals

to combat cancer.
The Independent Broadcasting Authority has found that transmitters being withdrawn from the now-obsolete 405-line black and white aervice after

hlack and white aervice after nearly 20 years are now in demand for medical use.

Hospitals realised that the equipment could be adapted to develop hyperthermia treatment of cancers—localised raising of the temperature of the tumour. That involves the generation of radio frequency at medium power.

medium power.

Doctors at the Aberdeen
Royal Infirmary read that the IBA transmitters were being retired and inquired about getting one. The IBA decided to donate the transmitters, which originally were worth several



Ask the F.O. to fly out a copy of Hansard-I understand MPs are complaining

bospitals have shown interest. Naturally in an atmosphere Naturally in an atmosphere of shortage in the NHS, Norman Fowler, the Health Secretary, is delighted to get such expensive equipment free of charge. He says, "I am delighted to know that this equipment after giving pleasure to millions for many years is now to be given many years, is now to be given a new lease of life in the con-stant search for effective methods of treating malignant tumours."

Brush aside

Seven youngsters working as shoeshines at London's Heath-row Airport could not under-stand why the British Airports Authority should want to put them back in the ible queue. Nor could Tim Harrison, their boss at the London Sboeshine Company. For during a six months trial period, they had built up business from nothing

to 3,500 customers a month at Terminal 2 alone. terminals-no more than 120 sq ft in all—Harrison reckons
he could ersploy 25 youngsters
and pay the BAA around
£32,000 a year.
But the BAA was adamant.
When I rang Heathrow yesterthe view expressed by Jeremy

A couple of hours later, the War games

BAA rang back to say that "in So the Brussels press corps can view of recent interest in the return to its patrol duties among shoe-shine business," It had the EEC paper mountain — the been decided to extend the trial second battle of Walerloo will period for another three not now take place.

million pounds, to bospitals.

Seven have now been handed over and a number of other bospitals have shown interest.

Metallion pounds, to bospitals. reviewed and competitive tenders of a radical walloon senator, Jean Humblet, to mount a campaign to cut off the BF 100,000 (£1,250) annuity

Golden Silence The National Coal Board and the National Union of Mine-budget debate that the payment to the Duke, as Prince of Water-with his ownership

Bu, faced with questions from this newspaper, a mood of absolute unanimity has emerged between the two

tegy.
After spending two days as adversaries behind closed doors the two sides emerged with the two si their lawyers to present an un-shakeable united front in response to questions from the FT man at the court.

"No comment" said the Coal Board side to every question. "No comment" echoed the union's representatives.

They remained unmoved by any consideration of genuine public interest in the way in

day, a BAA spokesman said that Bentham who, not being a coalday, a BAA spokesman said that the experiment would end on December 31. It was considered that a sboeshine "was not a service that the public really wanted."

Was It true that the shoeahines would be replaced with video games? "I hadn't heard that," he said. "But I would not rule it out."

A couple of hours later, the

Much excitement had been The aituation would then be generated in the Belgian capi-

heirs, 178 years after his famous victory. Humblet argued in the Belgian

loo, together with his ownership of 1.000 hectares of prime farming land, was an anachronism no longer tolerable to freedom-

emerged between the two The occasion was the private High Court bearing, which ended yesterday, arising from the inability of the board and union-nominated trustees of the Mineworkers Pension Fund to agree upon an investment stration payments of BF 70m. Other

Doodle-bug

Getting a little bored during the Swedish parliament's mara-thon debate on wage-earner funds, Finance Minister Kjelf-Olof Feldt, one of the funda' leading champions—in public, at least—began to doodle.

Above him in the public gallery, a newspaper photo-grapher snapped what he was

Wage-earner funds are a pile of sh—
"But now we've got them
and that's it." Was this some dramatic I1th-

hour about-turn by Feldt in the face of widespread public dis-approval of the Social Democrats' plans for expanding trade union power over industry? Not at all, said his wife and Press officer, Birgitta von Otter. It was an attempt to put inlo verse the thoughts of Conserva-tive leader, Ulf Adeisohn, one of the funds' most implacable opponents.

Observer

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Hope, charity and welfare

By Samuel Brittan

THIS IS a good time of year to discuss some controversial questions relating to charity. There are any number of good causes clamouring for attention: the aged, the poor, the chronically sick and disabled, the National Society for the Prevention of Cruelty to Children, Oxfam and the relief of distress in many parts of the world.

The question 1 want to pose in this article is not how we decide between these competing charities, but bow we decide
what proportion of our income
to give to charities of all kinds.
In other words: how much of
our potential standard of living are we as individuals prepared to sacrifice to the wellbeing of

others?

The absolute morality of the matter is something we all bave to determine for ourselves. Facts about poverty, distress and the size of our own good fortune are relevant. But the basic decision is one of personal choica and feeling about which the logical analyst has only a limited amount to say.

There is, bowever, one aspect philanthropy which is more within the realm of logic and political economy. This refers to "interdependence effects." These effects arise from the fact that what you or I are prepared to give may depend not only on our basic values, but also on what we think other cople will give.
Let us introduce a narrow,

Let us introduce an individual known as Mr Free Rider

but not uncharitable, individual known as Mr Free Rider. If you ask him how much of the national income he would like to go to charity, he might say "10 per cent": be would be prepared to pay 10 per cent of his own income if this were both necessary and sufficient to achieve his charitable objective. But his preferred position is that everybody else should give 10 per cent plus a very tiny fraction, and that be should give nothing at all. In that case he would have the satisfaction of seeing 10 per cent faction of seeing 10 per cent of the national income going to good causes, without any sacri-fice in his own standard of

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efforts and sacrifices of others. When faced with the known temptation to take a free ride, what does a real-life individual

actually do? There are perhaps three possible moral positions

The first position is often termed the Kantian one, after the German philosopher Immanual Kant, who argued that a person ought to act only on principles which he would be prepared to see accepted as general rules for everyone. In other words, before acting be will always ask: "Soppose everyone behaved like this. Would I be content with the sort of world that that would

Applied to philanthropic activity, the Kantian principle suggests that free-riding is morally wrong; and that every-one should contribute an appropriate share to charitable activi-

A Kantian would "carry out a mental experiment. He assumes that everyone else will contribute exactly as much as be does, and then decides what contribution would be best for him on this assumption. He is morally obliged to make this contribution, irrespective of what the others actually do."

This description of the Kan-tian principla comes from a paper by the economist Robert Sugdan, entitled Who Cares? (Institute of Economic Affairs, £1.50), a paper which has touched off the speculations in

prepared to accept as part of a binding contract with all his fellow citizens, even if no actual contract is practicable.

At the other extreme to the Kamian is the hard-boiled "realist." This "realist" will say "Whatever I do will not make the slightest difference to what everyone else does. If I earn £10,000 and I give £1,000 to charity, I impoverish my-self. Yet that £1,000 is so small compared with the receipts of any well known charity that it makes no difference to the total. If I contribute £1,000 I will be a lot worse off and the poor and bungry hardiy any better off." Such a "realist" might pay a token £10, to get rid of the col-lectors from his doorstep, but that will be all.

The problem with the Kantian principle is that those who follow it lose out, relative to those who do not. The problem with the hard-boiled "realist" is that he is devoid, not of benevolence or sympathy, but of any trust whatever in his or ber fellow citizens, all of whom are regarded as likely free riders.

The two positions have quite important political implications. The cynical "realist," who is also benevolent, is likely to write learned articles proving that charity will always be in-sufficient. He will want to use the tax system and the welfare state to make sure that all pay their share and there are no free riders.

this article.

It should be noted that a welfare is a "public good" —

Kantian does not have to be a by which he means something saint. He does not bave to give that all or most citizens would living. In other words he would saint. He does not have to give that all or most citizens would be baving a "free ride" on the ell he has so the poor. But be want to provide, but which it

to do unless they enforce a binding contract on each other. of voluntary private charty should be encouraged, rather The "Kantian" position will place its hopes on people being willing to behave as if they were bound by contract. If some extreme Welfare State supporters. enough people make this assumption, it becomes self-validating; and the compulsion and bureaucracy of taxes and state transfers become less im-

The behaviour of most people is, I would guess, in between the extremes of the "realist" and the Kantian, bot nearer, I am afraid, to the realist. A typical citizen will be prepared to go some way towards doing what he thinks everyone ought as part of a social contract, but not very far. To pick hypo-thetical numbers, tha "realist" might be prepared to give his token £10, the Kantian his "moral" £1,000, and the typical

say, £100. Such a magnitude fits in with the observation that people are prepared to make some sacrifice for charity, without insisting on reciprocal behaviour by others, but not so much that it makes a noticeable difference to their standard of living, so as to, for instance, deprive them of a holi-

flesh and blood buman being,

hypothetical £100 which people will actually contribute and the £1,000 they would be prepared to contribute with strict assurances of others' good behaviour, is the justification of a good deal of the Welfare State.

of the Welfare State.

But the fact that the Kantian "If a person wants to insure motive operates to the extent against old age or ill health be of, say £100 is to be welcomed, should do so himself," runs the

argument. "State Social Security is forcing people to take out insurance policies or If we look at it from the point of view of the taxpayer of working age, who does not hap-

pen to be sick, it is not at all obvious that state arrangements are paternalistic. Consider a retired person who has omitted to invest in a pension scheme, or another person with an expen-sive illness who bas failed to take out medical insurance.

Would fellow citizens of these unfortunates want them to starve or bave their ailments untreated? They would surely want at least minimum assist-ance to be provided; and that minimum would itself rise with

State bealth or Social Security than treated with the suspicion is thus not the imposition of with which they are treated by compulsory insurance, but an expression of the benevolent instincts towards their fellow creatures which most buman beings have. The closer together are dif-

ferent people's philanthropic preferences, the less illiberal is the use of the political system. A major problem arises when citizens differ markedly on what they would draw or how they The non-paternalist philan-thropic justification of state welfare, which centres around the free rider problem, does suggest that it would be as well to rid ourselves of the myth of National Insurance and have a they would give, or how they would give it, even on the Kantian assumption that their felstraightforward Social Security low citizens followed suit. A tax instead.

political enforcement mechanism cannot cater for There is now no actuarial re-lationship whatsoever between those who are more or less philanthropic than the norm, or who have way-out ideas about the form the philanthropy the benefits a person may draw and his National Insurance con-

Political economy I am not going to enter tha debate about whether voluntary of compassionate individualism

charity is per se either more worthy or more effective than

state provided welfare. But the

thropic desires of individuals.

"desire to give," though in-adequate, is a valuable suppletribution; but the myth of insurance has been maintained for ment to the official welfare sermoralistic reasons. A philan-thropist who is also a libertarian vices, and it should be en-couraged rather than stifled. would see nothing moral in the myth at all and should want to So far charity and good make the pattern of taxation causes have been deliberately and redistribution as transparent as possible.

It is possible to combine philanthropy, even when collectively exercised, with the individualist judgment that people throw light on the logic of "giv-ing" and to show the point of collective action to implement more effectively the philanshould judge their own interests and live their own lives. But the political economy of com-Bot, it is sometimes said, state retirement benefits or bealth passionate individualism—or if you like "Thatcherism with a buman face"—is still largely to

Lombard

The play-actor's crusade

By James Buchan

nent of a larger work, was discovered wrapped round o discarded Bockwurst on o park bench in Wuppertal. The style suggests o Grub Street imitator

The Play-Actor now exulted in his pride; and not the pleas of the Old World, nor the obstructions of the elected Parliament of the New, nor even his own advancing years, could bend him from the preparations for the Crusade.

Had ever doubts been enterained behind that noble brow, they were soothed away by ambitious coldiers of fortune or unscrupulous prelates, who bade him establish abroad that manly authority long mortgaged in the Capital to unruly womenfolk and the intrigues of Freedmen. His love of country found a buttress, his piety support.

Vain were the embassies from the free provinces bordering Muscovy that the achievements of a patient diplomacy, which had brought the Empire's first Ambassadors to a debate at Geneva, were endangered no less by the Play-Actor's obduracy as by the morbid and phantastic fears of the Tyrant; that the campaign to the South was foliy; that the expenditure on the Crusade denied capital to merchants and manufacture; ond that their bewildered nations, on whom the new Legions were to be quartered. were unwilling to shoulder the burden of Peril so that the sanctuary of the Capital be

spared. The Legions crossed the Rhine and established winterquarters; but they were received not with the thanks protectors may expect but the brickbats and sullemess due Adventurers. Their arrival caused the Muscovite Ambassador summarily to quit Geneva. Amid

THIS TEXT, opporently o frag- castigate both this precipitate action and his people's ingrati-

While the provincial delegations lolled in the Forum's colonnadea. Play-Actor despatched expedition to the Antilles, boping thereby to discover before the Public the Tricks of Muscovy even amid Tigers and Banyuns.

Victory was speedly achieved. Triumph voted, the Play-Actor's Cer richly decked; but the applause of the mob turned to jeers when the booty revealed not the bowed armies of Muscovy but half-naked savages who hed fought with splte to defend their island Paradise and for wbom manacles were neither noveity nor bumillation.

From Muscovy, news was seldom and obscure; it was said the Tyrant lay dying, the Apparatus of Tyranny idie; Boyars wbispered at tha Bed-Post or despatched across the freezing plains contradictory messages bearing the Tyrant's purported seal, prophesying war or extending the hand of peace.

Wise men noted portents of Catastropbe. In the taverns and Hammams of the Play-Actor's Capital, plague broke out, striking without mercy or distinction et young men of military age; in the eastern provinces, women took to dancing in wanton congregations of their sex, treading to the measure of cer-tain raddled matrons who had once piled the Play-Actor's trade. In the grey-Actor's trade. In the great German forests, boughs that had shel-tered Arminius and had beard before the clangour of battle, began to shed their needles out of grief; in England, a female was elected Consul.

In these pregnant times, good men kept slient while young Tribimes and dissenting Priests, for love of God's peace or Musthe uproar, the Governor of the province rose in Parliament to to ever new insolence.

Letters to the Editor

Urgent need for considered change in the CAP

Sir,-In recent weeks Samnel Agricultural Policy. Many of his argument concern that this policy is both wasteful and in urgent need of modification. Thus far, most farmers and politicians in Britain would probably agree with Mr Brittan. Regrettably, however, in his enthusiasm to destroy a policy which be believes a bad one, he has allowed emotion to dictate his arguments, and his clearly limited knowledge of agricul-ture to lead him to extreme

Hia research on the agricul-tural issua bas clearly been unduly influenced by two recent reports which have been distinctly blased to one side of the argument (October 13, October 27, December 8 and in a Lombard column during November). There is no reference to a further study recently ence to a further study recently published by a senior agricul-tural economist from Cam-bridge University which refutes many of the assumptions and errors made in the previously

mentioned documents. No policy exists in isolation, and the history of, and reasons for, the CAP are worthy of consideration by anyone advocating change. Change is urgently required—that is consideration by anyone advocating change.

would be to sacrifice much of Neither does be give sufficient the massive increase in efficience to the strength of ency recently achieved by that industry. I write (paradoxic-ally to some readers perhaps) as a pig producer—one of the sectors of agriculture largely unprotected and suffering dread-fully in recent years from the imbalance of support systems for other commodities (especi-ally cereals) within the Community. Because of this, rather than in spite of it, I am acutely aware of the "balanced" epproach that must be adopted to agricultural support if un-forseen damage is not to be done to all or parts of tha industry. The latest American set-aside programme, which offered an alternative strategy to controlling surpluses turned out to be extremely

expensive to taxpayers, and because of its "knock on" effect in reducing trade throughout the entire rural community (not just farmers), it engendered resentment well beyond the There is no doubt that some effective methods of self-regula-tion of supply must now be devised for most EEC agricultural products, and especially for those in surplus. The constant paradox for policy makers is bow to reconcile this aim, with the further need to ensure a thriving population in the countryside—and especially in those less favoured areas which,

tain, but its advocates should be political realists and not, as population and decline. Mr in the case of Mr Brittan, economic Luddites.

To suddenly change the volume and direction of price support to British agriculture those less favoured areas which, those less favoured areas which, even now, are suffering dependent on any are suffering dependent on any more than the present price-based CAP system does.

as those for a private car) or

InterCity sector is in receipt of a small part (less than a sure that more competition is

in electricity credence to the strength of From Dr R. Papadopoulos support for the CAP within the Community. If be wishes for withdrawal from the EEC then

Sir,—Mr Peter Kreamer (December 13) draws attention to the connection between the be must say so, but he is being naïve to expect to stay in, yet overcapacity in the electricity supply system and the "drama-tic" success of the load managehave the agricultural support system of his choice, bearing in mind the roots of the EEC. ment measures, applied by the Central Electricity Generating Board in reducing the swing between minimum and maximum demand.

Overcapacity

The myth of "world prices" reflecting the true cost of food to British consumers were there no tariff barriers, is (to paraphrase Mr Brittan), a "fiscal illusion." World prices are simply a measure of the value of marginal production and are affected not only by the rise of He might as well bave pointed out that the success originates in the consistent under-estimation by the CEGB planters of the effect which measures as those applied—and those not applied for reasons hinted at by Mr Kreamer—were bound to have on maximum demand of marginal production and are affected not only by the rise of demand but by the diverse political motives of many ex-porting nations. By the same token, the well versed demials by farming leaders that world prices have no relevance to UK growth. Viewed in this light the success becomes part of the problem as well as offering a partial explanation for it. food prices is similarly mis-Even so this factor, though

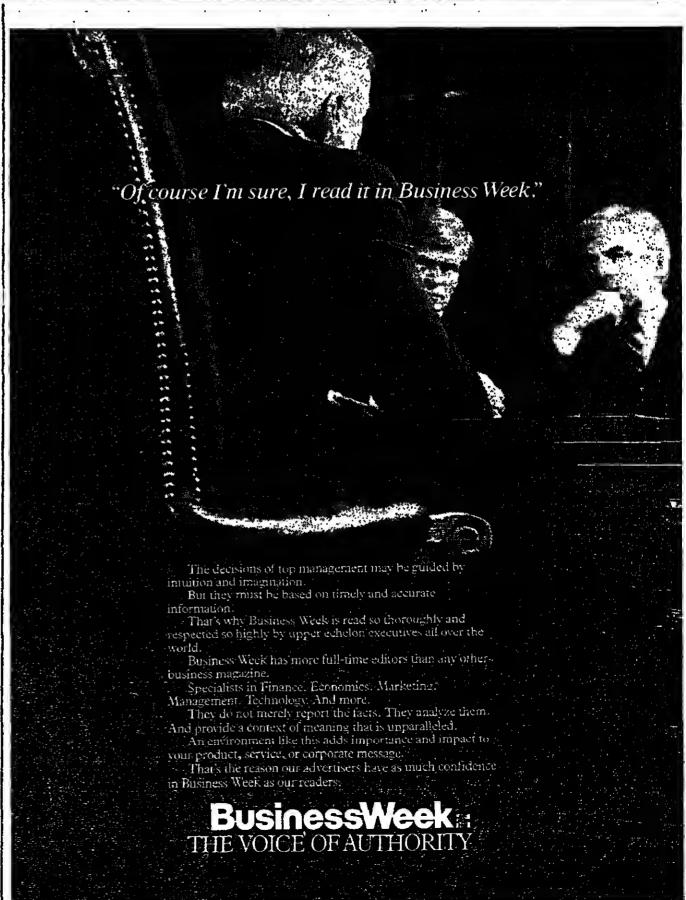
guided. Answers to the present problems of European agricul-ture cannot be simplistic or not insignificant, does not seem to be decisive. From 1962 to 1972 the average annual growth The relative position of British farmers to their counter-parts in Europe is a source of of electricity sales was about twice that of maximum de-mand; from 1972 to 1982 the concern, particularly now that changes of policy of some kind are imminent. The British are two rates, at 0.6 and 0.5 per cent respectively, compare closely. More significantly, and against the CEGB success in edept at stabbing themselves in the back as our recent industrial history shows. Wa should be promoting night consumption, electricity sales to the domestic sector of the economy show an average annual fall of 0.4 per on CAP policy with a pragma-tism born of the knowledge cent; at the same time gas sales registered an average annual growth of 5.6 per cent that the most artful compromise wins the day. over the last ten years.

In the light of these statistical trends I am inclined to suggest that it is the rapid and contin-uing replacement of electricity by gas, particularly in the beat-ing sector, which offers a more comprehensive — though still partial—explanation for the overcapacity problem, apparent or real.

(Dr) Raphael Papadopoulos. Polytechnic of the South Bank 103, Borough Road, SE1.

From Mr G. Hockley

Sir, - Peter A. Kreamer (December 13) tries to excuse the overcapacity of the CEGB by pointing out its success in reducing the swing between minimum and maximum demand. Since Dinorwic and other pumped storage systems take many years to plan and construct, this factor should already have been taken account of in estimating capacity and can not be used to justify the present level of generating plant. G. C. Hockley. University College, PO Box 78, Cordiff.



Competition in transport

From the Editor,

Sir, - The letter (December 14) from Lord Shepherd, that chairman of the National Bus Company, exhibits some muddled thinking on competition in inland transport.

Lord Shepberd erroneously assumes that British Rail's highly successful low-price Savar fares represent an example of uneconomic pricing coach market share. This is not the ease: BR has carefully cal-culated tha resource costs of the extra capacity necessary to cater for Saver traffic, and the Saver scheme shows a net crease in revenue as well as increased passenger carryings. While it is true that BR's

fifth) of the £820m public service obligation grant paid by the Government to BR, Lord Sbepherd is deluded if be thinks this is the only subsidy within the long-distance travel

Others include the subsidy on company cars (some f2bn pal), cross-subsidies from profits made in British Airports Anthority duty-free shops to charges to airlines for use of BAA airport facilities — and National Express has yet to prove that it is adequately pay-ing for its track (coach licences cost around the same many of its terminals (in which it borrows space from local authority-subsidised National Bus subsidiaries). There cer-tainly is not inter-modal free competition within this Byzantine tangle!

necessarily beneficial. There is evidence that since deregula-tion in 1980 coach operation bas been intensified on the main inter-urban routes already well served by rail at the expense of more isolated communities. Recent research has identified a significant number of towns in south west England which have lost a daily coach service — a far greater number, in

wiser to temper our public views

Philip Richardson,

clear cut.

all decline before deregulation. It should be remembered that the railway has relatively low marginal costs, so the transfer of coaches (likely to remain the low average cost mode) to the inter-urban routes that has occurred since deregulation may have had a deleterious effect on the allocation of the nation's scarce transport resources.

fact, than in the period of over-

James Abbott Terminal House

FINANCIAL TIMES

Thursday December 22 1983



Dutch set to block sale of submarines to Taiwan

By Our Foreign Staff

DUTCH-TAIWANESE trade and political relations received a serious etback yesterday when the Dutch Government refused to grant export liceoces for the sale of submarines to the island nation.

. Two suhmarines, ordered by Taiwan two years ago to build up its naval forces, are under construction in the Wilton Fijenoord shipyards in Rotterdam. Two more have been ordered, it was unclear if the government decision affected the origi-

The centre-right Government's decision came after two days of talks and intense lobbying pressure by Taiwanese government and business interests for the Dutch to support the deal. Parliament is expected to go along with the government decision to refuse the export

"We are sure that giving this quences for the relations between the Netherlands and China," Mr Gijs van Aardenne, the Economics Minister, said in a letter to Parliameot. "It would mean a break in the normal relations with a country that takes a very prominent place

The Christian Democrats, senior partners in the current governing coalition under Prime Minister Ruud Lubbers, are split over the deal. The junior partner, the conservative Liberals, favours it, but the Labour Party, the largest in Parliament, is against it.

Taiwan, which views the Netherlands as a "window to the West" rerently pledged to increase Dutch imports by 40 per rent annually and has said it is prepared to pay up to FI 3bn (\$967m) in orders for surface

The initial submarine deal has precipitated tighter bilateral economic ties, tockuding direct air services, despite prompting continuous debate in the Dutch Parliament, which bas seen its diplomatic relations with China deteriorate as a re-

The cancellation of the deal, should it be approved by Parliament, would be a serious blow to Dutch shipyards. Wilton Fijenoord argued that the most recent order for the submarines would safeguard the jobs of nearly 3,000 work-

Olivetti and AT&T forge major link

Continued from Page 1 ment each other in both product

and technology areas.
Olivetti is expected to market in Europe AT & T's PABX digital telecommunications products as well as telephone terminals, tele-typewriters and software.

Sig De Benedetti said the new partnership should be seen in terms of "the global competition among data processing producers" which would require growing financial resources and intensive commercial and research investment in the next few years. The \$260m AT&T was spending on its 25 per cent stake represented the largest minority investment by an American company outside the U.S., he said.

He had informed Canada's Northern Telecom that its contract with Olivetti would be allowed to lapse in the next 12 to 18 months.

The new alliance, he noted, had the approval of the ttalian govern-ment and had "a political implication." It would have been inconceivable only a few years ago for a U.S. company to invest so much io ttaly, and the deal recognised Olivetti as

The alternative to the agreement would have been for Europe "to be-

World-Weather

Brazil cuts subsidised credit in key sectors

BY ANDREW WHITLEY IN SAO PAULO

THE BRAZILIAN Government bas authorities, the central bank and remittance of profits and dividends approved an exceptionally tough the state-owned Banco do Brasil, have been brought forward by approved an exceptionally tough austerity budget for 1984. Its key feature is that virtually all subsidised credit for the key agriculture and export sectors of the economy a prime source of public spending - is being eliminated, at a stroke.

The decisions of the National Monetary Council, whose meeting on Tuesday is being described as the most important in years, are likely to gratify Brazil's foreign creditors while deepening the three- cy unit which has been a useless vear-old domestic recession.

In accordance with the target of reducing the rate of money supply growth to 50 per cent next year, compared with 95 per cent in 1983, credit expansion from the monetary ment tax net. Tax payments on the

will be held to 58.9 per cent. The Government has also re-

sponded to the way triple-digit inflation is fast eroding the value of the currency hy introducing two new large banknotes, worth Cr 10,000 and Cr 50,000. The largest note currently in circulation - Cr 5,000 - is today worth just over U.S. 55 at the official rate of exchange. The centavo, the smaller curren-

anachronism for the past few years, is to be abolished

Subsidiaries of foreign compa-nies based in Brazil have not escaped the tightening of the govern-

several months, raising the overall costs of companies concerned.

Banks, both state and privately owned, are affected by the decision to increase the existing panoply of controls on lending, designed to limit the growth of credit, while liquidity has been largely reduced. Additional, more concrete measures, including bigber corporate

taxes, may be announced next Mon-day after a second meeting of the National Monetary Council. At this week's meeting it was agreed that as from the beginning of next year most of Brazil's farm-

ers would have to pay a fully infla-

Arab bid for Kleinwort stake boosts UK bank share prices

BY DAVID LASCELLES IN LONDON

sbares soared on the London Stock Exchange yesterday as a group of fer to buy up to 10 per cent of the stock at Kleinwort Benson Lons-But the Arabs had been building banking group.

The Arabs, who were not identifi-

was for investment and was not a However, the news triggered another bout of takeover fever in fi-nancial stocks and pushed prices up by 5 per cent or more in some cases.

Kleinwort's price rose 5tp to 418p, leaving it well above the Ar-abs' offer of 395p. As a result, the

bought only 200,000 for a total cost

dale, the UK's largest merchant up their stake in Kleinwort for several weeks, and yesterday's purchases left them owning 5.2 per ed, said through their brokers, L. cent of the company - enough to Messel and Co., that the purchase force a disclosure. Mr Philip Watson, a director of

TWH Investment, the Netherlands Antilles company that made the purchases on behalf of the Arabs, said last night that he would be advising them "to let the dust settle." But, he said, the next step, if any, was up to them.

BRITISH BANKING and finance group acquired only a small fract he purchasers were, describing tion of the 5.4m they wanted. According to some estimates, they who knew the bank well. An official

> The Arabs are believed to be a group of families from one of the Gulf states who believe the UK finanre industry will benefit from deregulation and rapid technological change. They first bought Kleinwort stock in September when the price fell sharply after disappointing interim results, and have been accumulating it steadily.

Kleinwort's shares are quite tightly held, and there is a limit to But, he said, the next step, if any, vas up to them.

Kleinwort said it was aware wbo

bow much stock can be bought on the open market. The Kleinwort family trust holds 25 per cent.

OECD says upturn in Europe will lag behind Japan, U.S.

Continued from Page 1 much less than the 5-7 per ceot typi- OECD believes it would be impor- recovery will start to tail off from

18 months."

In Europe, fiscal policies remained restrictive so that the in-U.S. recovery and the rise in consumption, fuelled by a running down of savings, more than accounted for the growth expected

In the U.S., the OECD says, efforts will have to be made to tackle the federal deficits projected for future years if a clash between private and government demands for credit is to be avoided.

In the short run, it points out that the deficit is belping recovery in Europe and Japan by providing an increased market for exports. The high value of the dollar has been increasing the competitiveness of other countries' exports in relation to

A reduction of the U.S. deficit, especially if accompanied by a falling dollar, would have adverse consequences for output in Europe. The U.S. from dampening their chances of recovery.

The OECD says the UK's economic recovery will continue next year, crease in demand generated by the but more slowly than the UK Treasury expects. The Treasury believes an annual growth rate of a little over 3 per cent will be reached in the last six months. The OECD thinks recovery will slow after the summer to an annual growth rate of 11/2 per cent.

The OECD is more pessimistic than the Treasury about the prospects for UK consumer spending next year and about the extent to which stocks will be rebuilt.

For the year as a whole, the difference between the Treasury's November forecast and the latest from the OECD is well within the margins of forecasting error. The Treasury expects UK output in 1984 to be 2.8 per cent higher than in the current year. This is about % percentage point more than the OECD is predicting.

The OECD's view that Britain's ceipts by OECD countries.

cal of earlier recoveries. In spite of tant for European countries to act, the middle of the year is contrary to a general improvement in the world economy, he said, this relative lack to prevent a fiscal tightening in the OECD is supported by several outside forecasting organisations. The OECD broadly agrees with

the Treasury that the UK inflation rate is likely to continue to fall, although its predictions are on a somewhat different basis. A huge discrepancy in the world's

balance of payments accounts can be partly explained by large, unrecorded payments by oil-exporting countries for services, the OECD

It says most of the unexplained imbalance in the world's trade account related to invisible earnings. The world's total recorded deficit on invisibles rose from \$41bn in 1979 to 5114bn in 1982.

In that period, it thinks that Open countries substantially increased their purchase of specialised ser-vices (such as construction and engineering) from OECD countries. But between 1981 and 1982, for example, a rise of \$20bn of Open spending on such services was not matched by a rise in recorded re-

U.S. lawyer buys BL offshoot

BY IAN RODGER IN LONDON

AN AMERICAN businessman has bought for an undisclosed cash sum Aveling-Barford, the loss-making construction equipment subsidiary of BL, the UK state-owned motor

Mr Adrien Eschallier, a Philadel-phla attorney-consultant, said that he intended to seek further growth in overseas markets for the British company and to expand its product

range. Mr Eschallier, aged 49, said he was particularly keen to develop "the established European leader in the field."

sales in North America. Aveling exports more than 60 per cent of its production, but has only modest sales in North America.

Mr Eschallier managed several mines as president of Gulf and

Western, the natural resources group of the U.S. conglomerate, from 1974 to 1978. He may seek potential customers for Aveling equipment in the mining industry.

Aveling manufactures dumper trucks, wheeled loaders, road rollers and motor graders. The company was acquired by Leyland Motor Corporation in 1967

and became part of the special products group of BL in 1977. It fell into loss in 1978, and, in

Several potential huyers have looked at the company in the past four years, including J. C. Bamford Excavators, the British maker of excavators and backhoe loaders, tha now bankrupt IBH group, of West Germany and, more recently, Frederick Parker, the UK crushing

The Barford sale completes the planned disposals by BL. Others that have been sold since 1980 include: the Alvis military vehicles business; Coventry Climax, the fork at other non-automotive businesses.

Aveling lost £24m (\$34.1m) in 1979 and new management was brought in to rationalise the operations. Sales were about £22m. brought in to rationalise the opera-tions. Sales were about £23m. plant.

Salvador minister quits

BY TIM COONE IN SAN SALVADOR

The disagreement appears to have centred on tax changes to be 1979. introduced in January, especially the introduction of a 14 per cent "value-added tax." The changes have been introduced by President Magana through the Treasury and were opposed by Sr Pacas.

growing fiscal deficit, the tax years.

SR JOSE PACAS, the El Salvador changes are expected to increase Economy Minister, has resigned. In inflationary pressures and social his letter of resignation to Dr Alvatensions. Defence is due to increase ro Magana, the president, he said to 23 per cent of government spend-"there exist aspects of economic ing in 1984 as a result of the civil policy with which, I regret, I am not war. Tax receipts have continued to in agreement." decline in economic activity since

A prices and incomes policy was introduced in December 1980. This bas controlled salary increases effectively but has none the less allowed prices to rise an average of 15 Although aimed at dealing with a per cent annually in the past three

Deadline imposed on further bids for **Eagle Star**

By Charles Batchelor in London

THE CITY of London Takeover Panel has imposed a deadline of December 30 for any further bids from the two contenders battling to take over Eagle Star Holdings, the

UK insurance group. BAT Industries, the British-based tobacco company, has a £934m (St.33bn) cash offer on the table compared with the £920m hid by Allianz Versicherung, West Ger-many's largest insurer, in the biggest takeover battle in cash terms to take place in Britain.

The ti-strong regulatory panel spent much of yesterday hearing the views of the three companie before deciding against allowing an offer to be made after the normal 46-day deadline. This has been per-mitted in the past when only one bidder was present and a higher bid would secure a recommendation of acceptance from the target company's board

The panel described its decision as embodying a "minor amend ment" to its usual approach. Lazard Brothers, both Eagle Star and BAT's merchant bank adviser, expressed satisfaction with the outcome but Morgan Grenfell, which is acting for Allianz, said it was sur-prised at what it called a major aleration" to the panel's rules. Morgan Greofell said: "We are

slightly surprised that the panel is taking a route which involves sealed tenders' being made on a final closing date in a major bld of

"This means that the Eagle Star recommendation of the BAT offer now has less weight and turns it into just a question of money. This is to our advantage but f am not sure this is the right way to bring the whole thing to a close.

It sald: "It has become a sort of

Russian roulette."

Any increased offers must be lodged with the panel by 4.30pm on December 30 and announced before 5pm that day. This represents a rui-nor amendment to the rule that bids would normally have to be posted by that time. Allianz is committed to produce a

statement today on its intentions. I is likely to include an increased bid. The current BAT hid values each Eagle Star share at 6750 cash against the 665p cash offer from Al-

Lex, this page

Italians to revise Soviet gas contract

ROME – The state-controlled ener-gy group Ente Nazionale Idrocarbu-ri (ENI) bas been authorised by the Italian government to renegotiate a ing natural gas from the Soviet Union, government officials said vesterday.

Any agreement reached by ENI will be subject to final approval by the Government.

The Italians had signed a preliminary \$1.5bn agreement in January year for 20 years. In the wake of anti-Soviet sentiment, the Italians shelved the contract, which recently expired.

The negotiations between ENI and the Soviet Union also involve \$2.1bn worth of supplies by Italian companies to build a gas-pipeline from Siberia to Western Europe,

U.S. recovery continues

Continued from Page 1 er price index for November, also

published yesterday, confirmed that inflation was continuing to be held at a low level - "the best Christmas present ever" for Americans, in Mr Reagan's words. The November price increase, at

0.3 per cent, was the smallest since June and less than October's 0.4 per cent. It represented an unadjusted increase of 3.2 per cent over the past year, and a compounded annual rate of 4.9 per cent, based on the three months ending in November, the Labour Department said.

Another indicator showed corporate profits running at a seasonally adjusted annual rate of \$248.4bn in the third quarter, or an increase of 13.3 per cent over the second quar-

The 4.5 per cent GNP estimate may well be adjusted when the final figures are available. For the moment, however, it is the same as the rough forecast that the Administration is using for next year's growth as it prepares its budget for fiscal 1985, which begins on OctoTHE LEX COLUMN

A collect call from Olivetti

Olivetti's irog-into-prince trans-formation over the last five years is one of the most remarkable recovery stories in European industry. It would have taken something be-yond optimism to forecast in 1978 that a moribund producer of mechanical typewriters would emerge as one of Europe's leading manufacturers of electronic dataprocessing equipment. So the news that AT&T is shelling out \$260m for a 25 per cent stake in Olivetti comes as scarcely more than the happy end-ing which is demanded of a fairy

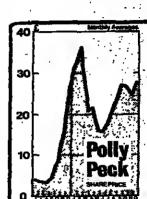
Obvetti's balance sheet has, in any case, been improving almost out of recognition, but the cash injection will reduce debt from about 100 per cent of book net worth - in the last balance sheet - to something in the region of 40 per cent. But the immediate financial impact of the deal is probably of secondary importance; the two-way marketing and technology agreements with AT&T should mean that Olivetti remains a serious international presence in office automation as competition heats up over the next few

tnitially it is likely that Olivetti will become AT&T's conduit into the European market for PABXs and other telecommunications products. This parallels the joint venture which AT&T set up with Philips in the summer, to market public switching and exchange equipment. At the same time, Olivetti will fill in some of the gaps in AT&T's office automation spectrum; sales figures of \$250m for 1984-85 were getting an airing in

Rome yesterday.
To AT&T, which could almost afford to buy up the whole of the Mi-lan stock exchange from petty cash, the price at which it is buying into Olivetti will not seem exorbitant. Yet at I.4,300 a share, the U.S. leviathan is paying a premium of more than a third over the price at which Mr de Benedetti was able to re-trieve the former St Gobain holding only a few weeks back.

Eagle Star

By imposing a guillotine on the rue Takeover Lauei weighty document. Under the existing rules, BAT might have been that year. It is by no means certain the more stratospheric growth pro-



noscenti as Day 46 - by securing an Eagle Star board recommendation. This stratagem, depriving Allianz of the right to reply, would have been

Yet, while the insistence that all offers must be made by December 30 is fair to both parties and will bring this protracted affair to a firm conclusion, it is obviously unsatisfactory that the future ownership of an important British company should be determined by a last-minute shoot-out.
There is little point in the Take-

over Panel's trying to enforce a more sensible auction through the rule book. In future, however, it may see the need to exercise rather more firmness in the early stages of a bid and insist that an informal auction schedule is adhered to. It is still possible of course, that the takeover will be resolved before. December 30. Allianz is expected to make another offer today. Yet the betting must be that Santa Claus will save his most bounteous pres-ent until after Christmas.

Lloyds leasing

Lloyds leasing

This week's cancellation of tha £36m oil rig by Britoil puts the financier, Lloyds Bank, in a doubly awkward spot. Not only does it have to plunge into a legal wrangle to regain some £40m already disbursed to British Shipbuilders, but the bank's leasing programme is thrown into disarray, with uncomfortable implications for its tax charge.

eastern Mediterranean, generating the bulk of the profit:

Rapid expansion — along with exchange losses—have caused a slight cash outflow, and a larger gap this year is to be blugged with a £5m placing of shares. With the growth in volume, average margins have fallen; investor interest this year will centre on the margins which can be obtained from new projects. Polly Peck, is diversifying away from fruit, but its exposure to Tur-

bas rescued its code from possible abuse, and avoided the need for further amendments to an already not retain the tax allowance on the economy looks set to enter a period payments it thought it had made in of austerity - undermining some of

switch the funds to the purchase of other assets and requalify for the allowances at this late stage.

Quite apart from the specific problem, Lloyds must now set up a series of deals to cover the £86m unseries of deals to cover the £86m underpinning to its leasing programme over a period of years that the oil rig represented. The dilemma illustrates the dangers in goltalone "big ticket" deals of this nature. A financial package of this size, constructed through direct bank credits would almost always have been symilizated to spread the have been syndicated to spread the

Apparently this practice died out in the leasing industry due - at least in part - to the legal complexities of structuring a multi-party deal. After the Britoil cancellation, new efforts are likely to be made to create a framework for syndicated

leasing.
It may not be entirely coinciden tal that leasing rates, which were very favourable to lessons in the early autumn, have drupped back again in the last couple of thouths. As a major player in the market, Lloyds' sudden need to find fresh business must have belped to tighten the market Moreover, its obvious predicament creates the risk that its bargaming position in current deals may be weakened and leasing profitability reduced.

Polly Peck

Polly Peck's 1983 accounts are a major improvement on the previous set - albeit not a difficult feat. That set albert not a difficult teat. That said, the geographical breakdown raises more questions than it answers, with sales by this international fruit marketer in the UK and Europe apparently producing a loss, and the more local business, in the eastern Mediterranean, generating

P0051

aong

Norcros p.l.c. pre-tax profit up 11%

Ken Roberts, Chairman, reports:

- Confidence in achieving the forecast pre-tax profit for the current year.
- Interim dividend up 10.6% to 2.3p.

Financial summary for the half year to 30th September 1983

		Han year run year
External sales	£164.7m	£166.4m £355.5m
Profit before taxation	£13.9m	£12.5m £28.3m
Earnings per ordinary share	7.76 p	6.51p 15.97p
· Sales per employee	£24,066	£21,642 £24,049

Copies of the interim report and corporate brochure are available from:

The Company Secretary, Norcros p.l.c., Spencers Wood, Reading RG7 1NT.



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SECTION II – INTERNATIONAL COMPANIES

FINANCIAL TIMES

Thursday December 22 1983



Trading in Cascade **Brewery** suspended

SHARE dealings in the Hobart-based Cascade Brewery – subject of a takeover tussle involving Mr Ron Brierley's Sydney-based Industrial Equity (IEL) – were suspended yes-terday at the request of Australia's National Companies and Securities Commission

The Commission has been inquir-ing into the battle for Cascade since last week, when two Adelaide groups, B. Seppelt, a wine maker, and C-C Bottlers, B soft drinks group, acquired a 25 per cent stake in Cascade from Carlton and United Breweries (CUB) only hours before

Elders-IXL gained control of CUB.

The Commission also appears concerned about IEL's use of an asconcerned about IEL's use or an as-sociate company, Acmex Holdings, for buying Cascade shares above the normal IEL offer price of AS5 a share. The Adelaide groups are of-fering the same, valuing Cascade at A\$42m (U.S.\$37m).

AS42m (U.S.537m).

The struggle for Brisbane Television (BTV), operator of Queensland's most profitable TV station, continued yesterday when Television Wollongong Transmissions (TWT) raised its blue to AS27.50 per them. share, valuing BTV at A\$49.8m. Rival bidder John Fairfax is expected to match the latest offer this morning. Fairfair has 42.7 per cent of BTV, while TWT holds 30 per cent. The key holding is the 7 per cent held by Britain's Associated News-

Cigna in \$215m bid for AFIA

By Paul Taylor in New York CIGNA, the major U.S. insurance group formed last year through the merger of Connecticut General and INA corporation, said that it plans to pay \$215m for AFIA, an International insurance underwriting asso-

The deal, which if successfully completed would represent a major expansion of Cigna's International business, is subject to various approvals by U.S. and foreign regulatory authorities, and to a definitive agreement being signed before the

end of January.

AFIA provides property, liability, marine, accident and health, surety and life insurance to customers in about 130 countries.

Mr Robert Kilpatrick, Cigna president and chief executive, said: The proposed acquistion of AFIA is an important strategic step for Cigna.
This substantial addition to our international presence gives Cigna the opportunity to become one of the world's leading providers of full range insurance and financial ser-

Enthusiastic response to Renong issue

By Wong Sulong In Kuala Lumpur

RENONG BERHAD, the former London Incorporated Tin Mining Company, now under Malaysian control and expanding rapidly into property development, has received an enthusiastic response from the public for its share issue.

The offer of 6.25m shares of 50 cents each, priced at 60 cents, was over-subscribed 55 times, attracting applications for 350m shares. Directors have given 97 per cent of the allotment to applications for fewer

than 10,000 shares.

Another 2.9m shares were re-served for Malays, employees and

Renong began as a tin mining company in 1913, exhausted its tin deposits in 1976, and transferred its domicile to Malaysia in October last

Wages offer by Republic Air

By Our New York Staff

REPUBLIC AIR of the U.S., which lost \$115.1m in the first nine months of this year, is proposing a "partnership plan" under which em-ployees will swap further wage concessions for an increased equity stake in the company.

The scheme presented to the airline's 14.000 employees includes profit-sharing provisions under which they will receive shares. Republic employees already hold aimost 20 per cent of the airlines stock. The latest proposals could increase this to more than 30 per

John Makinson reports on a "small-change" investment in the London securities market

Prudential decides on the acorn route

FOR THE Prudential Insurance ness in partnership with two corpo-Company of America, the creation rate finance executives from James of a joint venture securities opera-Capel, a leading London stockbroktion in London is a small-change investment. London may be one of the world's principal capital mar-kets but, by international standards, its participants are Lillipu-tian. Gulliver has adjusted his

sights accordingly.

The largest insurer in the U.S. is initially investing less than £500,000 (\$7f0,000) in London through its New York securities subsidiary, Prudential-Bache.
In contrast to Citicorp and Secu-

rity Pacific, U.S. banks which have taken direct stakes in British stockbroking firms, Prudential-Bacbe has opted to develop its own busi-

By going the acorn route, Pruden tial is apparently prepared to accept that it may make a slower start than a company buying into a ready-made operation. In return, it has a lower capital exposure in the early days and a greater measure of control over its own destiny.

The U.S. group has identified continental equity research and corporate finance as its two priorities in the London market.

initially highlight research in the tincity transatlantic flavour in the international oil, high technology and health care industries. The size for example, that Prudential Insuranalysts will need to concentrate on blue-chip investments with B high

The research team in London will complement similar units in the U.S., Canada and Japan. Mr Barton is aiming at a homogenous research approach - "punchy and readable" -and will be boping to marry the abundant sources of capital in the U.S. with attractive investment op-

in New York, the new venture will nance effort will also have a disof Prudential Bache's client list ance is the largest holder of property in the U.S. after the Government itself. He bopes to interest European institutions in joining with the Pru on investment projects.

Similarly, the new company ex-pects to develop an international mergers and acquisitions business, actively marketing ideas to companies on this side of the Atlantic. Mr Barton believes that London'a

corporate finance market is undergoing rapid change. "Historically," he says, "London bas leaned heavily on client relationships. Now the market is moving much more to a

Fuji clear

to buy

Heller

ries for \$425m.

By Our New York Staff

Fuji agreed to buy the Chicago-based banking and commercial fi-nance group's Walter E. Heller and

Company and Walter E. Heller Overseas subsidiaries in March,

beating off a rival bid from Security

Pacific, the fast expanding West

First Chicago Limited

Arab Benk Limited

The Sumitomo Trust & Banking Co. Ltd.

Basque Bruselles Lambert S.A.

The Nippon Credit Bank, Ltd.

The Tokai Bank, Limited

Charterhouse Japhet plc

Banque Indosuez Brown, Shipley & Co. Limited

Credit Commercial de France

The Tokai Bank, Limited

The United Bank of Kuwait Limited

First City National Bank of Houston

Banque Balge Limited – Sociéte Générale de Banque S.A.

The Chua Trust and Banking Company Limited

Banque Nationale de Paris p.i.c.

Credit Industriel et Commercial

transaction basis. It is no longer a is careful to show due deference to matter of who you know, but what you know and how you do."

Nevertheless, for Prudential-Bache to build up a significant presence in the domestic corporate finance or institutional sales business would be a Hermilean task Offering international arbitrage services and operating in the primary Eurobond market is one thing, selling fCI equity to British insurance companies and distributing domestic issues by British blue-chip companies is quite another.

wards the City and its institutions as well as to couch its initial plans in fairly modest terms. This is an opportunity to put more flesh on the skeleton we have in London," Mr Barton explains.

The new company's potential will inevitably be limited so long as stock exchange rules effectively prevent prudential from owning more than 29.9 per cent of a member firm. Yet no one in the London business circles expects that parti-cular restriction to last for long, and already some of Prudential-Bache's Mr Barton and bis colleagues in future competitors are busy trying London recognise that building a to work out how one beats a securifuture competitors are busy trying full-service operation will be a ties company which boasts capital lengthy process. Prudential-Bache resources of \$440m at its own game.

per cent to 32 per cent.
Escorts has been refusing to register the sbares hought by Mr Paul.

significant shareholder.

ment authorities and institutions should not allow the issues to go ahead until his shares have been registered. Escorts is proposing that, since Mr Paul's shares have not yet been registered, it should put his allocations in a temporary account pending decisions on the

based industrial company.

BY JOHN MAKINSON IN LONDON

According to Mr Jim Barton, who portunities outside. beads the securities company's in-The new company's corporate fiternational and commodity division **Exports boost Toyo Kogyo to**

BY YOKO SHIBATA IN TOKYO

TOYO KOGYO, the manufacturer of Mazda cars, reported record unconsolidated recurring profits of Y45.2bn (\$193m), up 4.4 per cent, in the fiscal year ended October due to

strong exports of passenger cars.

The company posted an increase in both sales and profits for the eighth consecutive year. Net profits were Y25.6bn, up by 1 per cent, on sales of Y1.364bn, up 15.6 per cent from the previous year.

In the past year, sales rose by 1f.3 per cent to reach 1.33m vehicles, including 17f,980 knockdown sets. Strong oversees sales, up 15.4 per cent, accounted for 934,915 vehi-cles or 70 per cent of the total.

BY TERRY BYLAND IN NEW YORK

Broadcasting, where B group of in-

ment of Taft's Attractions Group di-

vision has agreed to pay an expect-ed \$167.5m for the company's four

Taft, which owns television and

radio stations throughout the U.S.,

will reinvest \$5m and retain a one-third equity participation in the

new private company, which will be

BY OUR NEW YORK STAFF

MR CARL ICAHN, a leading Wall

Street arbitrageur, has proposed a two-part leveraged buyout of ACE Industries, the diversified shipping,

railway rolling stock and energy group. The offer, he says, is worth about \$56 a share. On that basis, the

deal would value the company at

Mr Icahn who, with companies he controls, has built up a 27.3 per

cent stake in ACF, proposed the deal in a letter to Mr Ivan Burns,

ACF said the proposal would be studied with the assistance of First

Under the terms of Mr Icahn's

proposal, a new corporation would

be formed to merge with ACF. Shareholders would receive \$31 a

textile companies, Winsor Industrial Corporation, yesterday reported its half-year profits before tax were up 87 per cent to HK\$95m (U.S.\$12m) compared with the same

Directors said earnings B share

for the six months to September 30

were 60.1 Hong Kong cents compared with last year's 32.1 cents.

The results were entirely due to

improvements in the group's textile

activities. The directors warned

activities. The disconnection of the current cycle of restocking in the U.S. market early next year, profits

would return to normal. They hoped

the European market, now in a

period last year.

share in cash for their stock.

Boston, its investment bankers.

ACF's chairman.

domestic theme parks.

buy theme parks

Icahn unveils terms

of ACF buyout plan

Sharp gain for Hong

ONE OF HONG KONG'S leading slump, would recover next year

Kong textile group

BY OUR HONG KONG CORRESPONDENT

THE LATEST management buyout rent fiscal year with bad weather in

pian in the entertainment industry the spring causing losses, was announced yesterday at Taft Taft said its earnings will not be

vestors incorporating the manage- cause any reduction will be largely

63 per cent, followed by Europe, up 28 per cent. Heavier depreciation burden and

higher fixed costs were offset by

record Y45bn profit for year

higher sales and production. In the current half yeer, ending April 30 1984, the company plans to sell 680,000 cars, with domestic sales of 205,000 units and the balance for export. Half-year revenues are expected to reach Y710bn, 6.4 per cent higher than the previous year. However, the company has set B conservative half-year parent company pre-tax profit target of Y23bn, np 4 per cent, owing to a de-terioration of profitability arising

from the yen's expected apprecia-

materially affected by the

offset by investment income and re-

expenses. It intends to re-invest the

In addition, Mr Icahn proposed that immediately before the merg-er, ACF's W-K-M Energy industry equipment manufacturing subsid-

iary, should be spun off as a sepa-

rate company with its shares distri-buted to ACF shareholders on B

share for share basis.

Mr Icahn said he believed each
W-K-M share would be worth at

least \$25 and that the spun-off com-

pany might have an aggregate val-

ue of around \$205 - roughly half its value a few years ago, reflecting the downturn in the oilfield equipment

industry.

ACF has suffered hadly as a re-

nine months it reported a net loss of \$882.000 before a \$1.1m extraordi-

nary gain compared with a \$32.24m

profit in the same period last year.

earlier than previously expected.

Winsor said despite political un-

certainty, the group was still invest-ing. It had acquired office space in

September for the use of the Win-

ner Group and Hilwin Group com-

panies, and took over production fa-

cilities to expand garment produc-tion in Hong Kong. This acquisition

is financed by an eight-year bank

Winsor raised its interim divi-

dend for the six months which end-

ed in September from 12 cents to 18

cents, but said that the final divi-

dend will depend on prospects for

The company, the third largest Japanese motor manufacturer, is to be renamed Mazda Motor Corpora-

 Toray Industries, Japan's largest synthetic fibres manufacturer, has reported consolidated net income of Y5.36bn for the six months ended September 30, compared with Y6.14bn previously, Reuter reports from Tokyo.

Pre-tax profits were Y12.59hn, up from Y10.79bn, on sales of Y367.40bn, up from Y368.09. For the year ending March 31, Toray forecasts a consolidated net

Coast banking group.
Fuji is the second largest banking group In Japan and number 13 in the world, with assets of about income of Y148bn, a pre-tax profit \$99.8hn. It already has extensive opof Y27bn on sales of Y750bn. erations in the U.S., Including Fuji Bank and Trust Company B New

Moody's re-rates

By Our New York Staff

per issued by Crocker National, the West Coast banking group majori-ty-owned by Midland Bank of the duced interest charges and other

proceeds of the deal in its communi-In October the board disclosed that group earnings for the first half bad fallen 16 per cent to \$15.2m but added that it expected profits named King's Entertainment and for the full year to exceed the previous peak of \$38.9m reached in Schwab III and by several prominent, but unnamed, financial institions Group bad fallen 12 per cent. The four theme parks brought in more than one quarter of Taft da's Wonderland and at King's Isgroup profits in 1982-63, but their land, the two major theme parks,

single A3 from single A2.

Crocker's preferred stock rating of credit remain at prime f.

Hoechst wins polypropylene licence deal

MONTEDISON, Italy's leading chemicals group, yesterday said Himont, its joint venture company with Hercules of the U.S., had agreed to grant Hoechst, West Germany's leading themicals company. many's leading chemicals company, a licence to manufacture its patent-

with Mitsui Petrochemical of Japan, to allow Hoechst to produce the new high-yield polypropylene catalysis for the first time.

ture to manufacture and distribute used to make plastic products for the construction industry and domestic use.

Beatrice Foods ahead 61%

By Our Financial Staff

BEATRICE FOODS, the U.S. diversified food manufacturer and soft drinks bottler, has announced a 61 per cent increase in net profit during the third quarter to November 30, to \$137m from \$84.8m a year earlier. Sales rose to \$2.47bn from \$2.31bn, while profits per share in-creased to \$1.33 from 81 cents.

Int. Harvester in German axle plan BY JOHN DAVIES IN FRANKFURT

ZAHNRADFABRIK Passau (ZP),

the West German transmission THE U.S. Federal Reserve Board maker, is to join International Har-vester of the U.S. in making transhas approved Fuji Bank's acquisi-tion of Walter E. Heller Internationaxles for agricultural tractors in al's commercial finance subsidia-France and the UK.

ZP will have a majority stake and operating control in jointly owned companies to be formed with the debt-laden U.S. farm machinery and commercial vehicle maker.

The West German company will contribute design and manufactur-ing technology for new transaxles and International Harvester will provide facilities and manpower from its existing plants at St. Dizter in France and Doncaster, England.

ZP will sell the transaxles to equipment manufacturers; International Harvester will obtain transmissions for B new generation of tractors.

York-based banking group with assets of \$1.8hn, and branches and agencies in B number of states. The acquisition approval marks another step in Walter E. Heller In of Zahnradfabrik Friedrichshafen, ternational's planned liquidation. the West German transmission

group, which is largely owned by a trust fund and employs 22,000 work-Final negotiations about details

of the deal are not expected to be

finished for some time. ZP said the

deal was subject to satisfactory ar-rangements for the financing of In-ternational Harvester's French and UK subsidiaries Thyssen Edelstahlwerke, the special steels subsidiary of the West German Thyssen industrial group, is hanking on a recovery this year after a sharp fall in earnings, sales,

of last September. Dr Harald Dehmer, chief execu-tive of the concern, said the compawas now booking orders worth DM 200m (\$72m) a month, f2 per cent above the average for f982-83. But he said an improvement in cent above the average for 1982-83. Share ownership.

But he said an improvement in earnings depended on B recovery in prices, which are under heavy prescorts and in DCM, another Delhi-

and orders in the year up to the end

Escorts in plan for strategic share sale

By John Elliott In New Delhi

DEBENTURE and equity issue totalling \$35m is being planned by Escorts, one ol two major Indian companies at the centre of a controversial investment hid by Mr Swraj Paul, an Indian-born businessman who runs the Caparo group in the UK.

If the issues go ahead as planned early next year, they will reduce the shareboldings bought by Mr Paul under an Indian Government nonresident investment scheme from about 7 to 8 per cent of the total eqrity to 4 to 5 per cent.

Equally significantly, they will considerably increase the number of small shareholders so that the stake held by Government-owned financial institutions is cut from 52

who is a confidant of Mrs Indira Gandhi, the Indian Prime Minister, partly because they fear his political power and do not want him as a The proposed debenture and eq-

uity issue would therefore reduce the political exposure of the company as well as raising funds for projects such as manufacturing Japa-nese Yamaha motorcycles and U.S. Mercury outboard motors in India. It would also help to fund a large dry dock recently bought by Escorts Mr Paul is arguing that Govern-

Taft management to Crocker

The move follows Crocker's announcement last week that it will take a \$107m charge in the fourth quarter on its troubled property portfolio and, as a result, report a loss of about \$57m in the fourth quarter and \$10m for the full year. Moody's said it was cutting Crocker National's senior debtrating to single A2 from single A1 and subordinated unsecured debt to

is being lowered from single A1 to single A3 and bond issues backed by letters of credit from the Crocker National Bank are lowered to single Al from double A3. Commercial pa-per issued by the bank bolding com-pany is also being lowered from prime I to prime 2, but the commercial paper programmes supported by Crocker National Bank's letters

By Alan Friedman in Rome

ed high-yield polypropylene. The licence agreement was signed in September, though not disclosed until yesterday. It pro-

In May Montedison and Her-cules announced a 50-50 joint ven-



KINGDOM OF SWEDEN

£500,000,000 **Medium Term Facility**

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The First National Bank of Maryland

National Bank of Detroit

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DECEMBER 1983

U.S. \$125,000,000



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NEW ISSUE

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U.S. \$100,000,000

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11%% Guaranteed Bonds Due 1990



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U.S.\$30,000,000

Floating Rate Notes due 1990

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Saudi International Bank Al-Bank Al-Saudi Al-Alami Limited

Crédit Lyonnais

Manufacturers Hanover Limited Mitsubishi Finance International Limited

December, 1983

Sumitomo Finance International



the securities industry.

The new seven-man committee is expected to be more vigilant and vocal towards gov-ernment incrusions, but it is exchange's future, and that of its members, lies in co-operation rather than confrontation with the authorities.

A month before the KLSE annual meeting the Finance Ministry sent a jolt through the industry by pushing through some sweeping amendments. some sweeping amendments.

Stockbrokers raised an uproar, but during a meeting with
Dr Ling Liong Sik, the Deputy
Finance Minister, last Friday,
it became obvious that the government would not budge.
There was little the KLSE could
do since the government has do since the government bas been given sweeping powers to intervene under the Securities Industry Act, passed by parliament last year. To appease the stockbrokers, the authorities gave some minor

Originally, the amendments gave the right to the Finance

Stock Exchange met over the weekend, and elected a new committee amid apprehensive to the considers suitable to the consideration suitable to the co committee amid apprehension "any Malay" have now been of increasing government inter-amended to "any suitable ference in the management of Malaysian" to do away with the racial blas.

The authorities also agreed to consult the KLSE committee in future before introducing further amendments.

Brokers fear that the Minis-ter's right to appoint new stock-brokers could lead to political patronage, to a decline in pro-fessional standards and to more

ment's privatisation programme and the New Economic Policy gather momentum, an increa

that their investments are well looked after by a racially Minister to appoint "any Malay balanced and progressive look-

ing KLSE.
Government entitles such as Development authority; and the police, armed forces, and Pil-grims co-operatives are already

major shareholders in many publicly listed corporations, such as Sime Darby, Malaysia

Mining Corporation, Boustead Holdings and Harrisons Planta-Recently, the first Malay-owned company, Antah Hold-ings, was granted a lating and public response to its share issue was overwhelming, with competition.

But the government has

But the government has assured the industry that such fears are unfounded. The authorities make no excuse for wanting to see more indigenous Malays on the KLSE, but for good reasons.

At the moment, only 25 out of the 113 stockbrokers on the exchange are Malays. In the coming years, as the government's privatisation programme its offer of 9m shares gyer-subscribed 38 times.

At the end of June, there were 266 companies on the KLSE, with a market capitalisation of 75.6bn ringgit (US\$ 32.8bn). Total business done

gather momentum, an increasing number of government, statutory and Malay-owned corporations will be going public.

The Government and the Malays therefore want to ensure that their investments are wall. with proper management, and official encouragement, the KLSE will grow rapidly so that existing brokers will not lose out because of Government appointees.

Government entitles such as as stockbykers in Tokyo, four-Permodalan Nasional, the in-den and New York, or even vestment agency; Pernas, the Singapore. At the moment, trading and manufacturing Malaysian Brokers are making agency; the Federal Land plenty of money, but doing little Development authority; and the in enlighten the investing pullic" a senior Government official

> Sheikh Mahmood, whose tenure has been extended by snother two years under the new Finance Ministry regulations, the KLSE is taking steps to moder-

> rise.
> Public Administration Service an American consultancy com-pany, has been appointed to make recommendations.

From next month, the exchange will be operating a computerised central clearing house to speed up transactions and registrations and to give up-to-date volume and price movements.

during the year to June amoun-ted to 1,986bn shares valued at 6.2bn ringgit.

The Government feels that industry and the economy so that the committee would be better informed.

The KISE, in co-operation with the Registrar of Companies, is also setting examinations, which will be compulsory "The real challenge is whether for anyone wishing to become our stockbrokers can modernise a realers' representative.

Bahrain's commercial registration fees soar

BY MARY PRINGS IN BAHRAIN

paying a flat fee of BD 10,000 (US\$26,000) a year to the Ministry of Commerce, domestic banks will be charged the rate of BD 25,000 for each BD 10m of their average residential deposits for the previous year. Government deposits and foreign currency deposits by residents are included. This means that the cost to major onsbore banks, among them Chartered Bank and British Bank of the Middle East, will be at least 20 times higher than before and could

in some cases amount to 10

A NEW scale of commercial per cent of net profits. registration fees in Bahrain looks suspiciously like taration to foreign and local onshore hankers.

From January 1, instead of BD 200,000 (\$530,000). The paying a flat fee of BD 10,000 leading local banks, National (US\$26,000) a year to the Bank of Bahrain and Bank of Bahra Bahrain and Kuwait will each be liable for over BD 450,000 (\$1.2m) but will suffer less in terms of profit. The third local bank Al Ahli, however, will be among the hardest hit. The four-year-old commercial bank's registration fee for 1984 is put at around BD 250,000.

Only the 19 onehore banks are being assessed on the basis of their deposits, and this of their demethod has One local banker said it

banking. Bahrain Telecommunications Company, in which Britain's Cable and Wireless bas a 40 per

would discourage the acceptance blg short-term deposits, of hig short-term deposits, while at the same time militating against small accounts which are costly to operate. He commented: "I understand why the government shed away from a profits tax, but I would rather see fees geared to capital and statutory reserves which are more stable. BD 400,000, up from BD 10,000.
This amounts to about 2 per cent of his last reported profits.
Offshore banks will also pay a flat fee but are assessed in

International Bank will each pay BD 50,000, as will the Arab Insurance Group. This represents a 500 per cept increase. Public exempt companies will pay BD 40,000, closed ones BD 10,000. These are 400 per cent increases. Offshore branches of foreign banks will pay BD 2,500, a 1,000 per cent increase. All these fees are additional to the bank licensing fee payable to the Bahrain Monesary Agency. serves which are more stable than deposits." Another banker pointed ont that hanks would need to calculate the impact of the changes on their cost of funds and increase their lending rates accordingly, while maintaining the minimum deposits consistent with prudent

All of these securities have been sold. This announcement appears as a matter of record only. December 1983



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US \$ 40,000,000 FLOATING RATE NOTES 1978 - 1985

NOTICE OF EARLY REDEMPTION

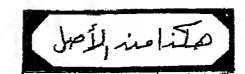
Noteholders are advised that, in accordance with condition 4 (b) of the Notes, Banque Indosuez has elected to redeem all outstanding Notes, on the next interest payment date, at par,

Consequently on January 27, 1984 there will become due and payable upon each Note outstanding the principal amount thereof together with accrued interest to said date at the offices of any one of the paying agents named on the notes.

Interest will cease to accrue on all outstanding Notes on January 27, 1984.

December 6, 1983

96. Boulevard Haussma 75008 Paris



APPOINTMENTS

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CONTRACTS & TENDERS

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(Algorish Popular Democretic Republic)

MINISTÈRE DE L'ENERGIE ET DES INOUSTRIES PETROCHIMIQUES
(Ministry for Energy end Petrochemica) Industries) ENTREPRISE NATIONALE "SONATRACH"

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS

TENDERS

The Directorate for Production is leunching a national and International call for tenders for the supply of:

—I Coil Tubing Unit Truck-mounted

(1 Unité COIL Tubing Unit Montée sur camion)

—INitrogen Injection Unit Truck-mounted

(1 Unité Injection Azote Montée sur camion)

This call for tenders is intended for manufacturing companies only and excludes amalgametions, representatives of companies end any other intermedieries etc., in conformity with the provisions of the Lew No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

on Foreign Trade.

Tendarers Interested in this call for tenders mey obtain the specifications through their embassy from SONATRACH - Olrection Production - 8, Chemin du Réservoir - HYORA - ALGER (ALGIERS), Département Approvisionnement et Transports (Department for Supplies and Transport), with effect from the date on which this nonce is published, together with a remittance in the sum of SON OINARS.

the sum of: 500 OINARS. Offers, of which 12 copies should be prepared and sent in e double seeled envelope, by registered post. The puter envelope should be

worded as follows:
"APPEL D'OFFRES NATIONAL ET INTERNATIONAL
(NATIONAL AND INTERNATIONAL CALL FOR TENDERS) No.
MA 051/83." "A NE PAS OUVRIR CONFIDENTIEL" (OO
NOT OPEN CONFIDENTIAL). The final date for submission of
tenders is two months with effect from the date of the publication
of this paries.

Any submissions received efter this dote will not be accepted.

Selection will be made within 180 days of the closing date of this

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OBSTTE GREET GALLERY, S. Cork St. London, WT. The mewers saling to Longon proctalism in Irvino British artists, 5 Sow open. Man.Fri 105.30. 3883, 10-11. Tri: 01-437 3175-

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(Ministry for Energy and Petrochamical Industries) ENTREPRISE NATIONALE "SONATRACH"
(National Company "Sonotresh")

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS

The Directorate for Production is launching a national and international call for tenders for the supply of:

I Lot of Mechine Tools (I Lot de machines outils). This call for tenders is intended for manufacturing companies only and excludes amalgametions, representatives of companies end any other intermedieries etc., in conformity with the provisions of the Law No. 78-02 of 11 February 1978, with respect to State Monopoly

Tenderers interested in this call for tenders may obtain the specifications through their embessy from SONATRACH - Direction Production - 8, Chemin du Réservoir - HYORA - ALGER (ALGIERS). Offertement Approvisionnement et Transports (Department for Supplies end Transport), with effect from the date on which this notice is published, togother with a remittance in the sum of: 500 DINARS.

Offers, of which 12 copies should be prepared and sent in e double sealed envelope, by registered post. The outer envelope should be

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL (NATIONAL AND INTERNATIONAL CALL FOR TENDERS) No. MA 010/83." "A NE PAS OUVRIR CONFIDENTIEL" (DO NOT OPEN CONFIDENTIAL). The final date for submission of tenders is three months with effect from the date of the publication

Any submissions received efter this date will not be extspted. Selection will be made within 180 days of the closing date of this call for tenders.

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ECONOMIST

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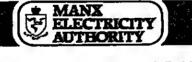
Applicants are requested to forward their complete curriculum vitae to the undersigned, latest by 30th December, 1983.

ABDUL QAYYUM KHAN General Manager, MUSLIM COMMERCIAL BANK LTD., Zonal Office, 69/70 Mark Lane, LONDON EC3R 7JA Phone 01-709 9255, 6 & 7

MANX ELECTRICITY AUTHORITY FINANCIAL MANAGER (DESIGNATE)

The Manx Electricity Authority wish to appoint a Financial Manager (Designate) who, subject to the Manx Electricity Authority Bill being enacted, will be responsible for advising the Authority on financial matters and managing its financial activities including the preparation and mailturing of budgets, account collection, payments end other work of a financial nature. Applications are invited from qualified accountants (e.g., I.C.A., A.C.C.A., I.C.M.A., C.L.P.F.A.) with relevant experience. The work is likely to be of interest to those aged 25 – 35 and will provide valuable experience. Salary will be commensurate with the duties and respon

Full details of qualifications and career should be sent to the Acting Secretary, Ment Electricity Authority, Government Office, Buck's Road, Douglas, Isle of Man not later than 5th January, 1984.



COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITART RECEIPTS (EDR.) IN MURATA MANUFACTURING CO., LTD.

3DR holders are informed that Murata Macolacturing has paid a dividend to holders of record September 20, 1903. The cash dividend eavable is Yen 6.5 per Commee Stack of Yen 30.00 per share. Pursuant to Ceuse 8 of the Deposit Agreement the Depositary has converted the net impain, after deduction of japanese withholding taxes, into United States Dollars. EDR holders may now present Coupon No. 8 for payment to the a

Dividend payable less 13% Japanese \$220.35 \$22.03

S. G. WARBURG & CO. LTD TORAY INDUSTRIES, INC. (formerly Toyo Rayon Kabsahiki Kaisaki)

Chibant N.A. 336, Strand, London WCZR 1HB. December 22, 1883,

(formerly Toyo Rayon Rabushiki Kaisha)

5. G. WARDURG & CO, LTD. Innounce
that a dividend of Yen 2.75 per share
has been oxid to shareholders on the
books of the above Company 25 st 30th
Sestember, 1983 in raspect of the six
month period ended pa that dink.
Roceipts
Island by S. G. Warburg & Co. Ltd., nay
present per Sond Department, 5t. Alben's
Kouse, Goldsmith Street, Leadon ECE's
20L or et Bankun Imernationals a
Luxembourg, 2 Boulevard Royal, Luxembourg, subject to deduction of Jassiese
Withholding Tax and United Kingdom
Tax all say) 3t the appropriate rates,
petalls of Lax deduction can be obtained
from Phylms Agents.

Zeed December, 1883.

As Depositary

Zeed December, 1883. Z2ed December, 1883.

BANQUE WORMS USS30.000.000 FLDATING RATE
NOTES OUE JUNE 1985
IP ACCORDANCE WITH the ENTIRE SMI
conditions of the above mentioned
Floating Rate Motes the star of interest
1983 in 10 Jene, 1984 has been
fixed at 11 per Cent.
A LUXEMODURG
Societe Anonyme
Trustee

PLANT AND MACHINERY

ROLLING MILLS, SLITTING LINES, WIRE AND ROD PLANT. Tel: 0002 42341. Telex: 338414, Wednesbury Machiness.

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Chibank (Luxembourg) 3.A. 16 Avenue Marie Therese

U.5.\$50.000,000 Floating Rate Notes due 1986 ("the notes") Credit Lyonnais, es fiscol agent in respect of the Notas, is now in receipt of funds in respect of: receipt of funds in respect of:

(I) The Interest payment dao on the Notes on 24th June 1983

(II) The principal dae for redemption of the Notes the serial numbers of which were published on 31st May 1983 and which remain outstending, of which the dae date for redemption was 24th June 1983

(III) The Interest due on overdue principal on such Notes from 24th June 1963 to 22nd December 1983

Payment of the above amounts is

December 1988
Payment of the above emounts is now eveilable to holders of notee and coupens in eccordance with their respecties rights of the offices of the paying egents in respect of the Notes. CREDIT LYONNAIS 26s Bouleverd Royal Luxembourg Fiecel Agent

THE BRITISH STEAM SPECIALTIES

NOTICE IS HEREBY GIVEN that the Ordinary Share Transfer Books will be closed from Soth December 1083 to tith Jacuery 1884, both dates inclusive. By Order of the Soath Onton South

Controller

£neg+seasonal benefits

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Applications in writing should include the following: (i) Full cuariculum vites
(ii) Ostella of present amployment and salary
(iii) A recent ohotograph and should be addressed in the first instance to:
Box A8423, Financial Times
to Cennon Street, London EC4P 48Y

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDR.) IN TSUMURA JUNTENDO, INC.

par notice of September 23, 1993, EDR holders are informed that untendo. Inc., has paid a dividend to holders of record September 30, e cash dividend payable is Yeo 0 per Common Stock of Yen 50,00 Pursuam to the terms end conditions, the Depository has converted mosest, after deduction of Japanese withholding bases, loca United

December 22, 1003.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDR.) IN AJINOMOTO CO., INC. Further to per notice of September 23, 1883, 80R holders are informed that Almomoto Co., inc., has paid a dividend to holders of record September 30, 1883. The Can divided september 180, per share. Pursuest to Clause 8 of the Deposit Agreement the Depositary has converted the bot moount, after deduction of Japanese withholding taxes, into United States Boliars. Payment of the dividend with a 13% withholding tax is subject to receipt by the Depositary or the Agent D1 a valid efficient of residence in a country having a tax treaty or agreement with Jipas giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows

The Netherlands New Zealaed Norway Res. of Korea Romania Singapore

December 22.1003.

British Dredging forecasts £1m profit

A PROFIT of over film is fore-cast for 1983 by British Dredg-ing, the Cardiff-based dredger and supplier of sand and gravel.
And the company is resuming interim dividends with a 1p net

when reporting a return to half-time profits with £322,000 in August. Mr Fane Veroon, the chairman, said the group was moving ahead well in a much Improved covironment. A good level of demand was being experienced.

pericanced.

The profit would compare with £22,000 attained in 1982. Ten years ago the group made £1m, but that was followed by several years of losses and then very low profits.

years of losses and then very low profits.

Mr Veroon says liquid funds have risen to some £4.85m after the aarly repayment of long-term loan totalling £227.000. And following the disposal of properties no longer required for trading purposes, the liquid assets are expected to rise to "well over £5m."

comment

The transformation of British Bredging is so striking that ordinary aix-monthly statements are evidently insufficient to keep pace. Heoce yesterday's unexpected missive from the chairman's office. Not that he needed to sign-off with a seasonal greeting—a forecast of £1m profit and £5m in the hank must bave had shareholders in high spirits well before the final sectence, There are two main features behind this dramatic upturn. All three trading operations—aggregates in the Bristol Channel, paving blocks in Newport and a dry dock in Cardiff—have produced much better profits while interest receivable ia coming up from much hetter profits while interest receivable ia coming up from nothing to perhaps £4m. Pivotal to sharp increase in cash has been the £34m last March from the sale of an associate to RMC—incidentally RMC tried to get the whole company for £4m less than three years ago. Retained profits have huilt on that plus £4m from property sales. Now it is British Dredging that is in an acquisitive mood. The shares acquisitive mood. The shares rose 12p to 60p yesterday for a fully taxed prospective p/e of 21 and yield of 48 per cent.

Forminster

Turnover of Forminster, the ladies' and children's outerwear manufacturer, drapped from £7.24m to £7.03m in the half-year to October 31 1983 and pre-tax profits were lower at £603,548, compared with £756,842.

The directors say, bowever, that as indicated in the last annual report, it is confidently expected that results for the second balf of the current year will show an improvement over those now reported.

maintained at 2.03p per 10p share—last year's total was 4.97p on taxable profits of £1.61m.

Tax for the first half took 13x for the mist half wor 1320,000 (1392,000) leaving net altributable profits down from 1363,942 to £283,548. Earnings per share dropped from 7.45p to 5.26p.

Yearlings total £16m

Yearling bonds totalling £16m at 97 per cent have been issued by the following local euthorities: Ainwick District Council f0.25m; Bassetlaw DC f0.5m; Isle of Wight DC f0.5m; Notting-ham (City of) £1.5m; Rochdale ham (City of) £1.5m; Rochdale Metropolitan Borough Council £1.0m; South Oxfordshire DC £0.25m; Taunton Deane BC £0.25m; West Lancasbire DC £0.25m; Birmingbam (City of) DC £2.0m; Brighton BC £1.0m; Walsall MBC £1.0m; Hillingdon (London Borough of) £1.0m; Brentwood DC £0.25m; Kensington and Chelsea (Royal Borough of) £1.25m; New Forest DC £0.75m; Sefton MBC £1.0m; Toubridge and Malling DC £0.5m; bridge and Malling DC £0.5m; Barking and Dagenham (London Bornugb of) £0.5m; Bournemouth (Bornugh of) £1.0m; Ellesmere Port and Neston BC £0.5m; Northampton (Borough of)

Polly Peck placing to raise £5m

Polly Peck, the fast expanding clirus fruit and packaging group built by Mr Asil Nadir, is to up to £5m of long-term

Writing to sharebolders in the Writing to sharebolders in the annual report and accounts for the year to September 3, the chairman explained that the "amount is relatively small, and a placing of new 0.5p per share (after a 10-for-1 share split to reduce par value from 5p per share) will conveniently provide this capital without the expense attendant upon a rights issue."

Mr Nadir added that "certain (unnamed) Middle Eastern investors have indicated their willingness to take up the

BOARD MEETINGS

The following companies have notified dates of heard meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not evailable as to whether the dividends era interims or linelle and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Bromarove Cesting and

TODAY
Interims: Bromsgrove Casting and
Machining, Highgata and Job, Loopold
Joseph, Ocean Wilsons, Reedon Smith
Lins, Summe Clothès, Suteliffa Speakman, Tumbull Scott, Victoria Carper.

The merger of the three com-panies has been under considera-tion for some time but plans to

Finals: Sankers' Invostment Trust, Cionita, Electric and General Invest-ment, Grand Matropolitan, Pict Pat-roleum.

FUTURE DATES

off the Polly Peck share price to £271. After the share split, the shares would be quoted at 275p

mecessary ahares."

The accounts form the first detailed explanation of the group's rapid expansion in the fields of fruit packing, water bottling, consumer durables and pharmaceuticala using the resources of Northern Cyprus, Turkish and Middle Eastern agriculture and labour.

It had been widely expected that publication of the year, would form a platform for the integration of Polly Peck'a quoted associate company.

Willingness to take up the integration of Polly Peck'a quoted associate company.

The accounts form the first detailed explanation of the first detailed explanation of the sefect were first postponed that publication of the annual report, following the widety application of the year was allowed growth in activities of 135 per cent in profits before a curreot year which will be principally committed to \$4.5m the year has been one of super-laby late of per cent to \$62.2m and the group was able to achieve a rise of unique growth in activities of 135 per cent in profits before the twee tombranes of 135 per cent in profits before a curreot year which will be principally committed to \$4.5m the year has been one of super-laby late of 135 per cent to \$62.2m and the group was able to achieve a rise of 135 per cent in profits before the twee timbed from 146.3p to 283.3p the late of the year was able to achieve a rise of 135 per cent in profits before the twee timbed from 146.3p to 283.3p the year has been one of super-lates. Turnover expanded by the principally committed to \$4.5m the year has been one of super-lates. Turnover expanded by the principally committed to \$4.5m the proper which will be principally committed to \$4.5m the tour-lates of 135 per cent in profits before the twee year has been one of super-lates. Turnover expanded by 160 per cent to \$62.2m and the group was able to achieve a rise of 135 per cent in profits before the twee years as so far in the same country, agreed the principal year profits growth the principal transition to the proper which the proper which the proper which the proper

that the substantial wealth of natural resources in countries like Turkey where the group is increasingly concentrating its activities, coupled with the potential for technological production and development throughout the near and Middle East, present further significant opportuoitles for us."

opportuoitles for us."

The group, bowever, will be expanding to other countries "so that our activities are out over-exposed in any one particular area." The chairman emphasised that "we undertake detailed analyses of the economic and political factors pertuaing to the countries where we operate and remain confident of their and remain confident of their continuing long term stability. The group expected to spend

Margin rise gives Lloyds & Scottish £22m

THE SECOND half at Lloyds and Scottish, the finance house, has produced profits doubled to f11.8m, and gives a total of September 30 1983, compared with £12.3m last time. Margins have been better, but the henefit was partly offset by the need to provide more for bad and donbtful debts.

also possible to increasa the margins on new business, and a buoyant demand for credit, particularly in the consumer sector, also contributed to profit growth.

Integration of Lloyds and Scottish Finance and Bowmaker has progressed during the year, and in January the Lloyds Bowmaker Finance Croup, and its

Earnings are shown at 7.56p, against 5.42p before an exceptional £1.3m credit and 6.52p thereafter. The final dividend \$2.87p for an unchanged net total of 3.87p. Lloyds Bank holds 60.3 per cent of the capital and Royal Bank of Scotland owns 39.26 per cent.

and in January the Lloyds Bow-maker Finance Croup, and its three operating divisions—retail, personal and corporate—come into being.

Demand for the group's factoring ervices continued to grow and both Alex Lawrie Factors and International Factora achieved increases in pre-tax

loss are now grossed up at the current rate of corporation tax with the noticoal amount of tax being added to tha tax charge. The amounts are £2.3m for 1983 gains on disposal, including product £1.3m), the net attributable profit comes to £9.6m (£7.7m). The extraordinary charges comprise losses less gains on disposal, including proand £1.6m for 1982. vision, of investments in subsidi-Differences arising from aries and associates, and a changes in rates of exchange are deferred tax credit.

taken direct to reserves. Accordingly, the extraordinary charge funds, including minorities, in 1982 of £0.3m has been restord at £233.2m, compared with stated.

After tax 19m (15m), minori-

ties 21.9m (£0.9m) and extra-ordinary debit £1.9m (exceptional gros assets £2.55bn (£2.09bn).

Bromsgrove Casting doubles

tional expenses of £59,000 and £373,000 respectively. Prior to these charges the loss half-on-half fell from £714,000 to £302,000.

They say that in the second half of the year substantial orders for the Armadale foundry

Last year's comparable figures have been adjusted. Turnover is shown as falling from £18.15m to until the current year. due to

until the current year, due to the longer manufacturing time

Commenting on current year's

outcome the directors say that the group's financial position remains strong and performance shows an improving trend, which should result in a return shown as falling from £18.15m to
£13m and interest charges are
given as £133,000 (mi). The
exceptional expenses consist of
severance payments of £303,000
(nil) and cost of participation in
the steel castings industry
the longer manufacturing time the blood costings.

There was e tax charge for
foundry at Bathgate was
approved as a source of castings
the steel castings industry
the vocation of £230,000 (£57,000)
foundry at Bathgate was
approved as a source of castings
the new customers, but the order to a 28.9p loss (5.5p profit)

SEVERE price competition in the general cable industry was largely behind a decline in turnover and profits at Western Selection for the year to the end of September 1983. Turnover moved down from £697m to £5.66m and pre-tax profits from £601.000 to £405.000.

Year to

£'000

377 321

70

21

(45)

at 1.5p, which brings the total to 2.5p (same). Earnings per 20p share slipped from 4.65p to 2.28p. Following a decline of £75,000 to £233,000 at the midway stage, the directors say that provided no disruption is experienced which affects turnover sidary, depended on maintaintargets for the ensuing year, and the level of export business continues to expand, they anticipate a more favourable result in 1984.

Western Selection falls £0.2m

Export orders increased by buoyant, they hoped for an more than 50 per cent to £1.7m. improved second half—in the The net final dividend is beld event second-half profits fell at 1.5p, which brings the total from £293,000 to £172,000. The directors now say that the general portfolio benefited substantially from huovant conditions throughout the year, but Duratube had exceptionally difficult trading conditions. A breakdown of profits showed Duratube & Wire £212,000 (£405,000); parent company £152,000 (£140,000). (£140,000),

Philip Harris rises but warns on price freeze

The medical company achieved further growth in sales and net profit but the directors waro that the 25 per cent price reduction and price freeze from August 1, arbitrarily imposed by the DHSS. will "further erode already very slim margins and necessarily reduce the contribution to profit that was anticipated earlier in the year."

Home educational sales have

Philip Harris (Holdings), manufacturer of scientific apparatus, pushed its pre-tax profits up by £51.264 to £258,000 for the six months ended September 30 from turnover of £11.98m, compared with £10.77m.

with import restrictions and hard currency shortages in the company's Third World markets. However, a substantial order book for execution in the current book for execution in the current way. culties, the directora are still working for an improvement in the group's performance for the full year.

The interim dividend is being

held at 2p net from earnings of 3.3p (2.39p) per 20p share—a final of 4.75p was paid for the 1983-83 year from taxable profits of £487,000.

Tax for the opening six months Home educational sales have rose from £102,303 to £134,160 to improved substantially to date, leave available profits at £123,840, bul exports remain very difficult against e previous £94,434.

DIVIDENDS ANNOUNCED Corre Total sponding for Corrent of British Dredging ... int. 1 Bromsgrove Casting int. 0.75 Equity and Law int. 5 Forminsler int. 2.03 Feb 2 5 Feb 20 2.03 March 7 5.5 Kelsey Inds 5.5 Robert Kitchen 8 11 3.87 Novert Kitchen 8 Lloyds and Scottisb 2.87 Philip Harris int. 2 North British Steel 0.75 Petbow int. Nil Sterilng Inds. int. 0.5 Western Selection 1.5 Dividends shown name her abon 1.49 1.11

2.5 Dividends shown pence per ahare net except where Otherwise stated.

*Equivalent after allowing for scrip issue, † On capital increased by rights and/or acquisition issues.

*USM stock' Unquoted companies.

Elsewhere, the directors say of £194,526 (£168,221). This close company, which promising start to the current year.

Commenting on current year's large and any divideod since

John Williams Pretax losses at John Williams of Cardiff fell slightly from £1.66m to £1.6m for the year to the end of September 1983. Turover of this steel stock-bolder and achitectural products concern moved down from £19.17m to £15.36m.

There is again no dividendthe last payment was a final of 0.5p in 1981. Losses per 25p share came to 22.2p (21.34p).

There was a tax credit of 53,000 (£22,000). Minorities came to £54,000 £154,000), and extraordinary debits last time totalled £552,000. The vitribut-able deficit was reduced from £2.03m to £1.54m.

Sheraton Securities A fall in net property income together with an increase in Interest payable left USM stock Sheraton Securities with lower pre-tax profit of \$6,000, compared with £41,000, for the aix months to September 30 1983.

to September 30 1983.
Gross rents, of this property development and investment concern, were little changed at £884,000 against £382,000, while net property income was £185,000, compared with £198,000 and interest was higher at £179,000 (£157,000).

There was no tax charge for the period, but a helow the line profit on investment property sales of £105,000 resulted in an attributable surplus of £111,000

benefit of reduced overheads

ERF feels

AS EXPECTED substantial savings in operating costs and improved margina on vehicle sales belped ERF (Holdings), manufacturer of beavy commercial vehicles and plastics, return to profits at the taxable level in the 26 weeks to October 1 1883.

The directors say the results were achieved despite continuing severe competition from European manufacturers.

Turnover for the period was Turnover for the period was down by 19.4 per rept from 1937.7m to 1927.16m but a profit of 1937.000 was earned compared with a 1912.000 loss. The result was struck after a lower interest charge of 1967,000 against 1972.000.

There was a "significant

EF72.000.

There was a "significant improvement" in profits from both UK subsidiaries, the directors state. Also, despite heing affected by the recession, the South African aubsidiary turoed in a net profit after interest. The plastics company continued to increase transparent. continued to increase turnover and profit, they add.

and profit they add.

Export trade was substantially lower with business in the Middle East being considerably Middle East being considerably down.

Looking ahead, they say that there is a moderate increase in the UK vebicle market which should help the continuing improving trend in the company's trading performance.

In the year to April 2 1983 a pre-tax loss of £1.42m (£3.27m) was incurred, on turnover of £62.58m (£52.35m), and both the interim and final dividend payments were passed. There is still no dividend, the last being a nominal 0.1p final in respect of the 1981-82 year.

As a result of a reduction of £129,000 in the provision for overseas tax, there was a tax credit of £97,000 for the opening half compared with a £93,000 charge. After this provision earnings per 25p share are 2.55p and 2,54p fully diluted.

comment

of 3.87p. Lloyds Bank holds and both Alex Lawrie Factors and International achieved increases and International achieved in the International achieved in the International achieved increases and International achieved in the International achieved in the International achieved in the International achieved increases and International achieved in the Inte ERF is still sticking grimly to improving trend in profits is continuing into the second half, and it seems likely that at least the preference dividend will be restored at the year end. The shares rose 5p on the figures, to

> Alliance Investment Net assets attributable to ordinary sharebolders at

sbarebolders Altiance Investment rose from £38.58m at April 30 1983 to £39.61m at October 31. The figure was £30.12m at October 31 1982. At the interim stage, net asset value per 25p ahare was 89.6p compared with 68.4p adjusted a year earlier, and 87.4p adjusted at April 30. This represented a 2.5 per cent increase sinre April, and at the end of November the net asset value had increased to

Pre-tax profits at balfway were down from £580,000 to £412,000, and this was due to higher management expenses and interest charges

The interim dividend is effectively unchanged at 0.5p. Earnings per share were down from an adjusted 0.79p to 0.63p.

Saatchi & Saatchi

Szatchi & Szatchi Co, Britain's blggest advertising agency, has finalised the listing of its Ameri-can Depository Shares in New Verb York.
The managers of the U.S.

£179,000 (£157,000).

There was no tax charge for the period, but a betow the line profit on investment property sates of £105,000 resulted in an attributable surplus of £111,000 (loss £4,000). In the comparable period last year costs of joining the USM absorbed £45,000. There is still no dividend payment.

65 companies wound up

COMPULSORY winding up London R orders against 65 companies were Owenrock, made by Mr Justlee Nourse in Powerlock the High Court. They were: Design, A Metro Metal Traders, Sorreltex, trol). Steel Vyrena Transport, Thermalfix, FKO (Shipping and Forwarding). Madison Consolidated, Trailer-

E. Nener & Song (Swaoseal, Stafford Pemberton Publishing Company, Transform Continuous, C G M Recruitment, Growglen, Kenico, J.M.F. (Computer Supplies), Elite Colour Print. Curls (Fencing Specialists), Hartbond, Regent Management, Hindleys Sawdust (Contractors), Hinckley Bullding Co., A.M. Photo Holdings. F. A. Deason (Garages), D. O'Donnell (Plant Hire), Spring-field Electrical Contractors, Atherbrook, Infurs, Midland

Atherbrook, Infurs, Midiand Phot-Litto Company.

The Phooe Booth, Gracewell Products, Advanced Fuel Eco-omy Systems, Franco Signs, D.B. Baker Upholstery Co., Centre Construction.

1 Burneyville, Vanlageworth, Dormatter, County Commercial Car., PLC, Fitwell, Kelly Road Signs (Maintenance), Lee Matrix.

London Radio Cars (Services), Owenrock, Mason & Burns, Powerlock Engineering & Design, Atek (Poliution Control). Steadfast Sheet Metal Installations. Full Circle Advertising

Designers, Mason Publicity Services, Bolafin, Reefbell Inter-national, Abco Steel Services, Thames Motor Holdings. Blueline Travel, B. P. G. Ergineering Company, C & E Roofing, C. K. Manghnani and Company, Flashman, Hillsage.

Albatross Produce Company, Luxbourne, Caledon Publishing Co., Rock Forge Carage (Shrewsbury), Fashion Fold, ...NO 24...74/8...

A compulsory winding up order made on December 5 egainst Intercon Textiles (South Wales) was rescioded and the petition dismissed by consent.

LADBROKE INDEX 767-771 (+4) Based on FT Index Tel: 01-493 5261

Petbow loss jumps to £2.7m at midway and no interim dividend

LOSSES AT welding end covery of these provisions and generating sets manufacturer these measures will be applied these months to September 30 1983 and, despite expectations in the last annual report that interim dividend payments would be resumed, this distribution has of £452,000 (£85,000 credit) for again been passed.

For the first half the pre-tax deficit jumped to £2.73m, compared with e loss of £71,000 for pared with e loss of £71,000 for the corresponding period and £524,000 for the last full year when there was no final dividend. However, as regards the current 12 months Mr James Bird, chairman, says the second balf will be substantially better than predicted et the last AGM. External problems which face the group in the immediate future are little changed from the recent past, he states, but overhead expenditure has been cut sharply and he is confident sales and profits can be maintained.

Business restructuring which has taken place since new board appointments in July has already

Business restructuring which bas taken place since new board appointments in July has already reversed trading losses. "Substantial profits" are now being earned and, notwithstanding an increase in turnover, working capital bas been greatly reduced. This reduction together with current trading profits has enabled bank borrowings to be cut by some film since the beginning of the year.

Turnover at midterm was down from £12.97m to £9.21m and direct exports fell from £9.27m to £5.31m. There was an operating loss of £9.32,000 (£315.000 profit) and a trading deficit of £1.96m).

Mr Bird explains that these items cover continuing difficulties in collecting cash in tha Middle East and African territories which prompted the directors to raise bad debt provisions in every case where any delay was being experienced. They also cover the lifting of provisions for the full cost of completing certain unprofitable contracts.

tinuous basis, he adds.

Pre-tax losses at halfway were after interest of £28,000 (£472,000) and exceptional debits of £52,000 (£85,000 credit) for costs associated with redundancies in July, and August 1983. During those twn months a redundancy programme affecting 115 employees, almost entirely indirect staft, was implemented to achieve a more than comparable cut in wage and salary costs. Tha tax charge for the six months was £24,000 (£66,000), leaving net losses up from £137,000 to £2,75m.

comment

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Mr Bird explains that these items cover continuing difficulties in collecting cash in that Middle East and African territories which prompted the directions to raise bed debt provisions in every case where any delay was being experienced. They also cover the lifting of provisions for the full cost of completing certain unprofitable contracts.

There will be some benefit to second half trading from the resource in a tight market.

R. Kitchen Taylor sustains recovery and makes £2m

SUSTAINING A trend of higher and added a new and promising profits Robert Kitchen Taylor venture to its activities.

pushed second half taxable profits np by 70 per cent, lifting the year's total np from £1.34m to £1.36m.

The U.S. A new subsidiary in

to £1.96m.

The increase was achieved with good contributions from each of its three main activities and was enhanced by a cut in interest payable from £596,000 to £500,000 t 1420,000. In the year to September 30 engaged in knitwear manufac-ture, textiles, and property in-vestment and dealing experi-enced a rise in turnover to £23,62m against £22.41m.

total of 11p.
On the results, the directors say that merchanting did well

The property side was strengthened during the year by two purchases in Maidenhead which, they say, should be trading profitably in the future. The tax charge for the 12 months was £895,000 (£707,000),

after which earnings per 10p sbare are given as 24.6p (14.5p). #23.62m against £22.41m.

The final dividend is held at Minorities accounted for £107,000 and there was an total of 11p.

On the results, the directors £350,000, being rationalisation

Elsewhere, they say that the outstanding feature of manufacturing was its performance in the U.S. A new subsidiary in that country has been formed to increase potential sales, they add.

Recession still hits Sterling Inds.

A £113,000 drop in profit to engineering and is a subsidiary £302,000 is reported by Sterling of Cayzer Trust, came to £3.05m industries for the half year (£2.91m). After tax £111,000 ended September 30 1983. The (£191,000) the net profit is

(22.91m). After tax £111,000 (£191,000) the net profit is £191,000 (£224,000); to this is ended September 30 1983. The (£191,000) the net profit is net share from Crewkerne Investments has moved ahead from £123,000 to £143,000.

The lower profit reflects the effects of the continuing recession and the expense of seeking to increase market share in the seen in the second half." the directors warn members.

Turnover of the Sterling group, which is engaged in light to \$191,000 (£242,000); to this is \$191,000 (£242,000); to this is \$191,000 (£247,000); to this is engaged in \$191,000 (£242,000); to this is added the Crewkerne contribution to make a net total of £332,000 (£347,000). Earnings eare given as 1.62p (1.68p) per share and the interim dividend in the second half." The main stems from its 16.3 per cent of Crewkerne, whose income in the main stems from its 16.3 per cent interest in Caledonia Investiments, of which Sterling's proportionate holding is 8.2 per group, which is engaged in light

Granville & Co. Limited Licensed Dealer in Securities

27/28 Lovat Lane London EC3R SEB Telephone 01-621 [212

Over-the-Counter Market P/E

Bross Yield

Price Change div. (pl. % Actual taxed
122 - 64 5.2 7.1 a.3
134 - 10.0 7.5 7.1 a.3
76 - 6.1 8.0 21.7 21.7
288 - 7.2 2.7 10.9 22.2
54 - 2.7 5.0 6.7 10.8
200 - 5.0 2.5 4.5 6.4
148 - 15.7 10.6 - 1
100 - 17.8 77.6 - 5
100 - 17.8 77.6 - 7.8
120 + 2 - 7.8 12.6
171 + 2 2.7 5.1 7.2 11.8
33 - 7.1 18.2 2.4 a.8
33 - 7.3 14.6 13.9 17.2 1962-83 High Low 142 120 158 117 76 57 157 46 21 268 987 54 53 200 200 151 100 96 45 182 77 183 39 56 32 66 32 7.3 14.6 13.9 17.2 † 1 17.1 7.7 5.0 11.8 † 1 4.5 3.9 5.0 11.8 † 3 11.4 4.8 18.0 13.4 2.0 18.6 13.8 8.4 5.7 8.5 10.0 7.2 2.8 3.8 8.7 1.0 5.8 11.1 18.2 6.8 7.7 7.7 10.2 17.1 7.00 3.7 7.8 ..7.3 - 14.6 .. 13.9 . 17.2

Public Works Loan Board rates

Effective December 21 Quote lossa repaid Non-quota losse A* reseid
by GP1 At meturity by GP1 At meturity Quote lossa repaid ... Years Up to 3 Over 3, up to 4...
Over 4, up to 5...
Over 5, up to 6...
Over 6, up to 7...
Over 7, up to 8...
Over 8, up to 9...
Over 9, up to 10...
Over 10, up to 15...
Over 15, up to 25...
Over 25...

iz Filozof

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by balf-yearly annuity (fixed squal half-yearly payments to include principal and interest). § With balf-yearly payments of interest only.

Taxation recoverable Profit after taxation Extraordinary items: Profit, after tax, on sales of investment properties Costs of admission to the Unlisted Securitles Market -Profit (loss) after taxation and extraordinary items 111 1. Dividends: As the company has accumulated losses, it is

21st December, 1983,

Gross rents receivable
Sales of trading properties

Net property income

Profit before taxation

Turnover:

precluded, by the Companies Act 1980, from paying dividends until such time as its losses bave been

SHERATON SECURITIES INTERNATIONAL

PUBLIC LIMITED COMPANY

1 Love Lane, London EC2V 7JJ INTERIM REPORT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 1983

£.000

6 months to 6 months to

(unaudited) (unaudited)

30th Sept. 30th Sept. 31st Mar. 1983 1982 1983

£'000

157

(45)

The figures for the year to 31st March, 1983 are taken from the accounts filed with the Registrar of Companies and the auditors' report was unqualified.

By order of the board. W. H. STENTIFORD & CO., Secretaries

Kelsey below target as second half slump pulls profits lower

would produce better results, be explains. There were also other start-up costs in Malaysia,

During the year the group acquired the slating and tilting division of Manchester Slate Company (Contracts) which it is

Company (Contracts) which it is now operating as Manchester Slate and Tile. It has already made a worthwhile contribution and, as its business has been absorbed into existing organisation, there is no doubt that it will be profitable in the first year under Kelsey's control.

Commenting on Kalsey Bullding Products Mr Arbib says the directors are concerned at the trading losses that this relatively new company has made in the

new company has mada in the past two years and steps have now been taken to curtail over-heads considerably and an effort is being made to increase sales

over were evident in initial dealings in the shares of Henara, the

ings in the shares of Heisara, the bair care group, on the main market. The shares, which bad been offered for sale at 95p, and bad been subscribed twice over, opened at 97p each. In very thin trading they slipped to 94p, before closing at 96p.

Kelsey Industries has missed its profits forecast for the year to September 30 1983.

At midway, when an advance from £585,000 to £586,000 was reported at the pre-tax level, the directors said they were confidant the full year outcome would show a worthwhile improvement.

However, in the evant a second half slump from £678,000 to £331,000 pulled the year's profit down from £1.26m to £1.14m.

The directors now say the situation is beginning to improve and they are confident the current year will show a satis-The directors now say the situation is beginning to improve and they are confident the current year will show a satisfactory increase in market

factory increase in profits.
Turnover for the period under review rose from £21.63m to £25.16m, with UK manufacturing activities contributing £6.93m (£7.48m), exports and overseas £12.2m (£8.25m) and UK contracting and building £6.04m (£5.9m).
The pre-tax profit included other start-up costs in Malaysia, Canada, and Germany, a major part of which occurred in the second half of the year.

Within the solder division in the UK the works, laboratory and administrative functions moved to the premises made available as a result of the rationalisation plan following the sale of the group's sealant business. The full financial benefits of the move will arise in the current year.

The pre-tax profit included minorities of £68,000 and consisted of: manufacturing consisted of: manufacturing fr93,000 (£744,000), contracting and building £194,000 (£209,000) and other activities £152,000 (£311,000). These refar mainly to interest received and rents to the holding company from subsidiaries, less amortisation of lesses.

and building £194,000 (£209,000) and other activities £152,000 current year.

(£311,000). These refar mainly to interest received and rents to the holding company from subsidiaries, less amortisation of leases.

Tax took £523,000 (£470,000) for net profits of £616,000 (£794,000) and earnings of 12.9p (16.7p) per 25p share, while the forecast bolds the total payment at 5p on reduced capital.

Below the line there were fits of the move will arise in the current year.

Demand for solder products in the UK and coptinental Europe continue at the same lower level as in the previous year and the pressure on margins still prevails, Mr Arbib reports.

Results of endio video products for video recorders and for solder products in the UK and coptinental Europe continue at the same lower level as in the previous year and the pressure on margins still prevails, Mr Arbib reports.

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Results of endio video products for video recorders and for solder products in the UK and coptinental Europe continue at the same lower level as in the previous year and the pressure on margins still prevails, Mr Arbib reports. at 5p on reduced capital.

Below the line there were extraordinary credits of £37,000 (£221,000) and, with dividends absorbing £409,000 (£461,000), the retained balance came through at £294,000 (£554,000).

During the 12 months the company purchased 768,000 of its own ordinary shares at 218p; the £1.67m cost of which left under the same and improved products continues and prospects appear to be good in the short and medium-term, be aids.

As for contracting he says Kelsey Roofing Industries produced similar profits and has good orders in hand.

During the year the group acquired the sating and the short and medium-term, be aids. £1.67m cost of which left un-appropriated profits carried for-ward at £6.83m (£8.21m).

Capital reserves bave been reduced by a £410,000 surplus realised on the sale of property (included in extraordinary items) increased by a further £459,000 surplus on property

revaluations.

In his first statement as chairman, Mr Brian Arbib points out that over the last few years the group has made many changes group has made many changes in its activities, particularly in respect of overseas operations, besides certain domestic rearrangements. The directors are confident, he says, that these investments will produce growth

Exchange mada disappointing debuts yesterday. Synterials, a Dutch-based technology company, saw its shares—20m of which had been offered for subscription

at 100p -ch-open at 85p on the USM.

the USM.

This represented a paper loss of almost fim for the underwriters who had to take up about 33 per cent of the issue when it was undersubscribed last week.

However, with support from the company's brokers, James Capel, the share price rose to close at 90p. Jobbers described turnover in the shares as very disappointing.

Bowater agrees sale of Swiss associate

By David Dodwell in London and John Wicks in Zurich
The Bowater Corporation bas accepted a binding offer from Migros, the Swiss retaal co-operative, for its 46.15 per cent stake in the Basle shipping company Schweizerische Reederei und Neptun (SRN).

A final decision on the transaction is expected to be taken by the SRN board on January 19 enabling completion of the deal in February 1984. In the meantime, Migros is to negotiate with other sharebolders with a view to obtaining a majority stake in the company.

SRN is Switzerland's largest shipping company. From e base

skin is Switzerland's largest ahipping company. From e base in Basie, it bas a 70-strong ficet of barges plying the Rhine, and extensive warehousing facilities. Bowater said yesterday that it is likely to receive about £5m for its stake. The current market for its stake. The current market capitalisation of SRN is SwFr 18.2m (55.78m). It bas beld the stake in SRN since 1975 through a Swiss subsidiary, Neptun International Holding, and has been indicating for some time that it was interested in disposing of the stake as part of a strategic shift away from operations like shift away from operations like warebousing and Rhine shipping, and into service type operations such as freight forwarding. Mr Dennis Rees, Bowater's company secretary, said yester day that the company bad over the past three years expanded rapidly into freight servicing, to the point where it is now one

of Europe's larger groups in this area.

With too offices and 3,000 employees in Europe and the Far East, its leading freight forwarders are Baxter Hoare in the UK, Rhenania in West Germany, Mondia in France and Copex-Neptun which operates in Palgium Netherlands and

Belgium, Netherlands and Luxembourg Mr Rees added that selective acquisitions are planned, over the coming year, in Europe, the U.S. and elsewbere.

single importer. It already owns one Swiss shipping company, Reedere, wblcb is based in Zurich and bas a 15-vessel fleet. Yesterday, Migros said that it has already begun talks with the Swiss Federal government, and tha cantons of urban Basle and rural Basle, to ensure majority control of SRN. These authorities together hold a stake of 26.49 per cent in SRN. Migros intends to offer other SRN shareholders a sum of SwFr 1,200 (£381) for every sbare. The company's share price has risen close to this level in recent over-the-counter trading single importer. It already owns

recent over-the-counter trading in Basle. Migros said yesterday that Bowater would probably never have been allowed to obtain a majority bolding in SRN, even if it had wanted to. The Migros offer, mada at a board meeting company a statement to have accounts in London.

It disclosed yesterday that of the Bowater sharebolding passing into other foreign hands."

Or Derwent Cleaning and sting, and will decide on the Maintenance (Kent), in Juna thing of development early in 1983, a further 196,260 ordinary in the new year.

** The sting of the new year.

** The sting of the new year.

** The sting of development early in the new year.

** The sting of late on Tuesday, is said in a company a statement to have been "a Swiss solution to avoid

in U.S. with £7.1m purchase of Colonial

BY CHARLES BATCHELOR

Coates Brothers, the family-controlled manufacturer of printing inks, ta undertaking a major expansion in the U.S. with the purchase of tha Colonial Printing laks division of Millmaster-Onyx Group for \$10.12m (£7.1m).

Coates has had reciprocal licensing agreements with Colonial since the mid-1960s. The U.S. company, which is based in Rotherford, New Jersey, is expected to make net profits before interest and tax of \$1.41m on turnover of \$14m in 1983. It employs about 90 people.

Colonial makes and distributes printing inks used in the screen process field. These are used for printing on textiles such as fee shirtes and sports wear and also on printed circuit boards.

Coates already has a relatively small presence in the U.S. making toner for office copying equipment in Pennsylvannia and inks for use in beat transfer printing in South Carolina.

Mr David Youngman, Coates managing director, said: "Nol being an acquisition-minded company this is a big leap for us. It is unlikely we will be making any other moves in the immediate future."

Millmaster was bought from Gulf Oil by its current president and major shareholder Mr Robert Milana about 12 months ago and has since been disposing of a number of peripheral activi-

Coates is to acquire leaseholds, plant and machinery, patents and trade names, stock and reand trade names, stock and re-celvable items less payables. The value of fixed and intangible assets is \$4.75m while working capital al December 28, comple-tion date for the deal, has been estimated at \$5.37m.

Coates will borrow the entire purchase price.

It made a pre-tax profit of £3.87m in the six months ended June 30 1983 compared with £4.5m in the same 1982 period. Group turnover rose to £86.4m from £59.35m.

Coates makes printing inks, printers' supplies, lithographic plales and chemicals, synthetic resins, reprographic toners and industrial surface coatings. It employs 3,200 people, 1,540 in the UK.

Its shares rose Ep to 92p yesterday.

Go ahead for London Brick

Lendon Brick, the sole supplier of fletton bricks in the UK market, said yesterday that it bad gained the approval of both the Office of Fair Trading and the Takeover Panel to proceed with the two non-fletton facing brick acquisitions it announced last week, bours before Hanson Trust unveiled its £170m cash bid for the group.

ally to block the deal whereby London Brick has signed heads of agreement to buy Milton Hall, a non-fletton brick snpplier based in the Essex region.

Mr Rowe said that he felt that the market for fletton and nonfietton bricks would be a more suitable case for a Monopolies Commission reference in the bid for the group.

Mr Jeremy Rowe, the chairman context of Hanson's bid now that the Milton Hall acquisition is to Hanson had attempted specific proceed as planned.

U.S. group builds ICI stake

STEADY AMERICAN buying of Imperial Chemical Industries shares has lifted Morgan of Its nominee company, Guaranty Trust's stake in the chemical company to 15.18 per cent, the U.S. investment bank disclosed yesterday.

Provident Financial

Provident Financial

This compares with a 13 per cent stake at the beginning of December, and 7 per cent in

September.

The increase in U.S. holdings in ICI reflects Morgan Guaranty's issue of American depositary receipts (ADRs) in ICI shares.

These ADRs, tradeable in the U.S., are attractive to investors because they do not attract stamp duty. In tandem with ADR sales, Morgan Guaranty buys ICI shares in nominee of Derwent Cleaning and its integration of the acquisition by Hawley Group of Derwent Cleaning and its integration rate of \$75,000 tonnes of ore a year over seven tonnes.

Provident Pinancial Group has completed acquisition of James Keir, a company which supplies jewellery and watches to Provident customers, for a maximum consideration of £450,000. This will be satisfied by an immediata cash payment of £250,000 and a further amount payable

Coates Bros. expands | Key Lake enters the world uranium league

BY KENNETH MARSTON, MINING EDITOR

THE WORLD'S biggest operating uranium mine, the CS500m (£282m) Key Lake operation in Saskatchewan, is now getting into its stride. Its first drum of uranium oxide was packaged at the open-pit mine and mill complex on October 20 and production to the end of November totalled 700,000 Ib of uranium oxide. Design capacity of Im Ib per month should be reached early in 1884.

Tha Key Lake mine represents a joint venture between Saskatchewan Miolng Devetopment (SMDC), a Saskatchewan state corporation (SMDC), a Saskatchewan state corporation with a holding of 50 per cent; Uranerz Exploration and Mining (33) per cent); and Eldor Resources, a Canadian state corporation (165 per ceot).

Mr Roy Lloyd, president of SMDC, said that together with the corporation's sbare of production from the Cluff Lake mine, SMDC has become one of the world's major suppliers of uranium to markets in North

America, Western Europe and the Pacific Basin, Key Lake also puts Canada in first place among non-communist uranium producers.

The shallow open-pit mine's reserves amount to 200m lb of grade of 2.35 per cent. At an annual production rate of 12m Ib a year it will contribute about 12 per cent of world uranium

Deadlock at Driefontein over reinstatement issue

SOUTH AFRICA's Driefontein gold mine in the Consolidated Gold Fields group says that deadlock bas been reached at the meeting of the conciliation board which was called to consider the labour dispule at the gold mine. The case will now go to the Industrial Court.

The dispute arises from an The dispute arises from an original claim by some of the

original claim by some of the miners that their working area was unsafe. Mine officials and the chief inspector of tha Government Mining Engineer's Department subsequently inspected the area and decided that the suspect support conditions were, in fact, safe.

The majority of the stoping gang members returned to work, but 17 men refused and were dismissed. Since then the safety issue has not been in dispute.

it is stated, but the National Union of Mineworkers—mainly composed of black miners—has composed of black miners—has been demanding reinstalement of the men dismissed.

Meanwhila tha chairmen of the Anglo American Corporation group's Orange Free State gold mines have been criticising the lack of progress in negotiations between the Chamber of Mines and the white unions to allow black mineworkers promotion to the more skilled job categories.

Billiton extends **Hemerdon option**

THE Royat Dutch Shett group's Billitoo (UK1 has extended to end-1984 its option to purchase the Bernuda - registered Hemerdon Mining and Smelling's 50 per cent interest in the Hemerdon Ball tungsten and tin project near Plymouth. The project near Plymouth. The other 50 per cent is owned by America's Amax.

Billiton has thus made the required loan to Hemerdon (UK). If, and when, Billiton exercises the option II will pay a purchase price of \$15m (£10.6ml to Hemordon Mining and Smelling.

Meanwhile, final planning permission is still awaited for the

Devon project a

MINING NEWS IN BRIEF

south-west of Timmins,

The latest hole from the pro-

gramme of underground sampling, now complete, intersected 7.1 feet of ore grading an average

of 0.219 ounces (6.8 grammes) of gold per tonne, and a further 5.5 feet at an average of 0.286 oz

said that the results were excit-ing as they suggested there might be polential at grealer depths.

Full results from the under-ground sampling programme are expected shortly, and will be incorporated into the feasibility study which is already under

Orofina is controlled by North-

SOUTH AFRICA'S gold producture has encountered a new zone of tion fell in November for the economic gold mineralisation at second month in succession. The a vertical depth of 1,100 feel on economic gold mineralisation at a vertical depth of 1,100 feel on its property in the Swayze gold latest figure was 1,836,778 ozs, compared with 1,854,457 oz in

The November figure is still bigher than the comparable figure of 1,821,215 oz, and brings the cumulative total for the first 11 months of 1983 to 20,125,728 oz comfortably ahead of the 19,664,699 oz produced at the same stage of last year,

Australia's Pancontinental
Mining has received tha feasibility study into the Paddington
gold prospect it commissioned
from Davy-McKee Pacific. Drilling to date at Paddington, 34
kilometres north of Kalgoorlie
in Western Australia, has outlined two deposits totalling
6.4m tonnes of ore at an average
grade of 3.2 grammes of gold
per tonne. per tonne.

The study, done on the basis of an extraction rate of 875,000

gate Exploration.

(g.9 grammes).

The junior Australian explora-tion company Ivanhoe Gold has reported further good gold inter-sections from a second drill bola at its Beaton's Creek property near Nullagine, in Western near Nullagine, in W Australia's Pilbara region.

samples contained "detectable is paid from earnings of 32 cents, gold."

Values over 1 gramme of gold per tonne were reported from 11 intervals of 1 metre, but of far greater interest were four Intervals with grades above 10 grammes per tonne. Grades in these intervals ranged from 13.8 grammes to as high as 26.1

Ivanhoe has 45 per cent of the property, with Teos Mines bolding a similar stake. The remainder is divided between Orofino's Mr Gerald Harper Ascot Holdings.

Malaysia's tin-producing Songel Besl Mines made net profils of M\$1.09m (£330,000) in the six months to September 30, down from the MS1.44m for the first half of the previous financial

The company said that this level of profits will not be maintained during the remainder of the year, which suggests that It is heading for the considerably lower profits forecast in the anual report a couple of months

The fall in the second half will be attributable to development work and pre-stripping at tha company's open-pit operations.

An interim dividend of 20 The new bole bas been com-pleted to a depth of 300 metres, per cent, is declared. This com-and Ivanhoe said that all pares with 10 cents last time, and

CONTRACTS & TENDERS REPUBLIQUE ALGERIENNE DEMOCRATIQUE

Henara is currently offering shares to buy out the 20 per cent of the equity in its supplier, Dixor-Strand, that it does not already own The offer has been declared unconditional, and reaches its first closing date on January 3.

Milbury advances £0.24m

Disappointing debuts for

Synterials and Henara

AN IMPROVED performance by its housebuilding division enabled Milbury to return sharply higher profits for the six months ended September 30 and the directors are confident that this improvement will continue through the second half of the year.

At the pre-tax level profits rose from £319,000 to £563,000, although turnover for the period slipped by £273,000 to £7.97m.

The result for the opening half included profits from the sale of shares in William Whittingbam (Holdings) and a fee

The result for the opening half included profits from the sale of shares in William Whitingbam (Holdings) and a fee of £160,000 charged to Saint Piran, the parent company, for property advice which was within the normal activities of the enarged Mibury group after its acquisition of Westminster.

As a result of the acquisition of Westminster, the group's capital base of net tangible assets has more than doubled. The directors are confident that this enlarged asset base will support the continued profitability and growth of the group.

Earnings for the first six building land ber 30. The subject of the saint port by chartered a nopen in date.

The total perty portion managed at rent toll.

Mr J. J.

Mr Malcoli L. Mr Rap Saint Piran late 1976. an open manual value of the property portfolio of Westminster as at September 30 was £20m—all the properties and developments continue to be well managed and provide a growing

managed and provide a growing rent toll.

Mr J. J. Raper will take over as chairman of Milbury, from Mr Malcolm Stone, on January 1. Mr Raper was chairman of Saint Piran from late 1973 to

Sturla reveals plans to reorganise offshoot BY DAVID DODWELL

The proposals, which have to The proposals, which have to be put to an extraordinary meeting of shareholders on January 4, form part of a recovery plan being formulated in the wake of a financial crisis, involving court litigation, which early this year almost brought the company to its knees.

its knees.

The company is proposing a capital reduction scheme which will cut the nominal value of Sturia shares from 10p to 2p, thereby eliminating £3,59m of negative reserves.

A rights issue is also planned, whereby £2m of interest bearing convertible redeemable preference shares will be offered. Exact terms of the issue will be outlined in a sharebolders circular. Once these proposals are approved, and have won court clearance, then trading in chartered surveyors and was at an open market value at that approved, and nave wan court clearance, then trading in Sturia's shares can be resumed. Dealings were suspended in March, with the shares at 6p. The reconstructed subsidiary is called John Royle and Co., and is called John Royle and Co., and will operate under the name of Royle Finance. Four finance brokers based in Manchester, Huddersfield, Southport and Cardiff have agreed as a con-sortium to offer Sturia first refusal on all their consumer

and trade of these divisions.

Sturia Holdings, the troubled finance business. In return, 24 finance group, has revealed plans for reorganising a consumer will be beld at the direction of finance subsidiary by making an agreement with a four-man consortium of finance brokers.

Mr David Britton, Sturia's chairman since June, this week

away from the precipice.

These losses follow equally difficult figures for the previous 15 months, in which net losses of £2.2m were reported after exceptional and extraordinary items were taken into account. Sturia's accounts bave been heavily qualified in both years. heavily qualified in both years.
On the brighter side, Mr
Britton released last week
unandited six-month figures to
October showing a return to
pre-tax profits at £31,000. This
was accompanied by news that
Sturia's bankers are converting
short-term loans into mediumterm facilities.

F. Miller sees profits fall 25% due to competition

EY DAVID DODWELL

F. Miller (Textiles). Glasgow-based supplier to Marks and Spencer, which 10 days ago agreed an fil.3m equity bid from Nottingbam Manufacturing, yesterday blamed intense competition from cheap imported garments for an expected 25 per cent fall in pre-tax profits for the current financial year.

In a statement to shareholders explaining wby the Miller board supports the Nottingham Manufacturing offer, chairman Mr Frederick Miller revealed that profits for the year to February 13 1984 are expected to be £1.8m—compared with £2.4m in the year just ended. This will bring to an end a 10-year record of steady, unbroken growth.

Mr Miller said that competition from cheap imports bad continued, and the company bed been unable to win contracts of sufficient size of keep his plant's automatic machinery operating at full capacity.

Noting that the trend of intense competition was continuing, Mr Miller said the orbitoning, Mr Miller shares of the company's manufacturing operations were reduced, it would not be possible to restore former levels of profitability."

As part of a larger gronp—Nottingham Manufacturing is also a major supplier to Marks and Spencer—he felt Miller's acure."

The terms being offered by Nottingham Manufacturing—one of its own shares for every six Miller shares—are at a considerable discount to the market price prevailing when Miller asked for sufficient size of keep his plant's automatic machinery operating at full capacity.

As part of a larger gronp—Nottingham Manufacturing offered by Nottingham Manufacturing offered by Nottingham Manufacturing of its own shares for every six Miller shares—are at a considerable discount to the market price prevailing when Miller asked for sufficient size of keep his plant's automatic machinery operating at a about 216p, while Miller shares—returned from suspension—have drifted to 37p.

Virani sells Norfolk shares

Virani, the hotels and property group, has sold its entire holding of 1.39m shares (or 7.3 per cent) of the equity of Norfolk Capital, the hotels chain controlled by Lady Joseph, widow of Sir Marwell Joseph.

Virani, which is run by Ugandan Asian businessman Mr Nazmu Virani, first disclosed on November 11 that it held 8.8 per cent of Norfolk and has since

THE OXFORD INSTRUMENTS GROUP p.l.c.

ET POPULAIRE

MINISTERE DE L'ENERGIE ET DES INDUSTRIES

ENTREPRISE NATIONALE "SONATRACH"

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS

The Directorate for Production is launching a national and inter-national call for tenders for the supply of:

This call for tenders is intended for manufacturing companies only and excludes amalgamations, representatives of companies and any other intermediaries etc., in conformity with the provisions of the Law No. 78-02 of 11 February 1978, with respect m State Monopoly

Tenderera interested in this call for tendera may obtain the specifications through their embassy from SONATRACH - Oirection Production - 8, Chemin du Réservoir - HYDRA - ALGER (ALGIERS), Oépartement Approvisionnement et Transports (Department for Supplies and Transport), with effect from the date on which this notice is published, together with a remittance in the sum of: 200 DINARS.

Offers, of which 12 copies should be prepared and sent in a double

sealed envelope, by registered post. The outer envelope should be worded as follows:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL (NATIONAL AND INTERNATIONAL CALL FOR TENDERS) No. TW 604/MA." "A NE PAS OUVRIR CONFIDENTIEL" (DO NOT OPEN CONFIDENTIAL). The final date for submission of

Any submissions received after this date will not be accepted. Selection will be made within 180 days of the closing date of this call for tenders.

1 Lot of Skid-mounted Gas Pumps.

of this notice.

Notice is hereby given of the appointment of Barclays Bank PLC as Registrar. Correspondence regarding the share register and documents for registration should be sent to the address below

Barclays Bank PLC, Registration Department, Radbroke Hall, Knutsford, Cheshire WA16 9EU. Telephone: 0565 3888.

BARCLAYS

COMPANY NEWS IN BRIEF

For the year to September 30 1983 Windsor Securities (Holdings), the insurance broker formerly Brentnell Beard, saw pre-tax profits edge shead from £255,000 to £255,000. This followed an advence from £82,000 to £81,000 at midterm. For the 12 months, turnover otalled £643,000) (£759,000). There was a tax credit of \$22,000 (debit £63,000) and earulings per 10p share expanded from 2.5p to 3.8p. On these a dividend of 0.75p (nil) net is being paid at a credit of \$54,000. being paid at a cost of £54,000. The directors report that the international insurance and reinsurance broking business is being expanded and contract offices have recently been established in Spain and some areas of South America.

Profitability is being maintained and group finances continue to be "very strong," which augers well for the future, they add.

Pre-tax profits at Belgrave its major shareholder, Gomba (Blackheath) the West Mid- Holdings UK.

For the year to September 30 lands' forging and machining holding company, for the six months to July 31 1983 were £18,000 against losses of £48,000 in the corresponding period last

Group turnover was lower at £1.32m compared with £1.57m. The trading profit was £58,000 against losses of £15,000.

The pre-tax figure was after interest charges up £6,000 to £40,000. Tax took £5,000 against a credit of £5,000, leaving net profits of £13,000 (£54,000 There was an extralosses). ordinary dabit last time of

£101.000. The directors say the return to profit represents a satisfactory turnround in performance, and further recovery is anticipated as the upset forging activity is now benefiting from earlier rationalisation.

The group is changing its year-end to December 3t in line with

Mr David Britton, Sturla's chairman since June, this week highlighted the reconstruction as one of the changes of corporate direction being devised by the new board to lift the company

away from the precipice.

The long-delayed annual report and accounts for the financial year to April 30 1983 were released last week, showing losses before exceptional Items of £548,000 — about £100,000 worse than predicted in June. Exceptional and extraordinary items amounting to £638,000 were also revealed, leading to a further anticipated reduction in the group's net asset value of £1.19m.

BIDS AND DEALS IN BRIEF

Greenbank Industrial Holdings, engineer, bas acquired Didsbury Engineering, a manufacturer and designer of mechanical handling Other members of the group are Drayton Consolidated Trust, a BAT Industries group pension fund, and the existing management. The divisions are cogaged in the development, marketing and maintenance of a range of devices, in a £2.5m cash deal. Pre-tax profits for Didsbury for 1982 were £467,574 and its book value of net assets at the year end amounted to £1.81m. Both figures have been adjusted and net assets included £670,000 casb. computer systems and bar coding

techniques. A new company called DS Limited has been formed to take over the assets In October, Greenbank reported lower profits of £605,000 against £666,000, after a cut in interest receivable, for the first slx months of 1983—on turnover of £6.45m compared with £5.13m. Estates and Ageocy has sub-scribed £570,000, and will bold 30 per cent of the equity in DS together with £540,000 of g per cent unsecured boan stock repaycent unsecured ban stock repayable 1987 to 1992.

The loan stock is convertible into ordinary in certain circumstances. As a result of options granted to existing management,

IN ORDER to bave a direct participation in the rapidly expanding field of technology, Estates and Agency Holdings bas joined a group which is acquiring the circulation control and data capture divisions of Plessey for a total consideration of £1.42m.

Other members of the grand the grand to DS could be reduced to 25 sites at Slough and Erith. The per cent assuming non-conversion of the existing loan stock.

* * * * * * creen the grand to the countries of the existing loan stock.

Greenbank Industrial Holdings, engineer, bas acquired Didsbury Engineering, a manufacturer and the grand to the grand to the grand to the countries of the grand to the gr

J. Henry Schroder Wagg has confirmed the completition of the reverse takeover of the suspended Unlisted Securities Market company Bell Electronics by DB Instrumentation, a private Aldersbol-based defence electronics company electronics company.

Wagg said that the deal had anabled the directors of DB Instrumentation to obtain a quote for their shares, without needing to sell any. They will hold 70 per cent of the enlarged

* * * *
Gallaher subsidiary, the Mayfair Group, a leading European a
cligarette vending operation, is
to acquire the Vendepac vending
service business from Four

of drinks, snacks and confec-tionery to industrial and lelsure outlets.

Mayfair sees the acquisition as

a further development of its committed expansion programme

electronics company.

The new company, DBE Technology, is to bave its 10m shares introduced onto the USM today.
The company's brokers are James Capel—they also acled for Bell Electronics.

Mr David Smith of Schroder committed expansion programme into all areas of consumer veoding.

* * * * *

Brengreen (Holdings) has completed the acquisition of white Cross and issued 6.853,583 ordinary shares as consideration.

two sites comprise 1.75 and 11.5 acres respectively and produced a rental income in the year to December 23, 1982 of £390,392. Bilton will be ecquiring the sbares for £1.3m and will be redeeming existing mortgages by PBDL to PPF, under which £1.52m is outstanding. Total consideration of £3.4m will be satisfied by the alloiment to PPF of 1.38m Bilton ordinary,

Square.
Vendepac, with 11 depots nationally, is one of the largest vending operations to the UK and provides an operated service

MANAGEMENT: Marketing

IT is three o'clock on a damp Friday afternoon in late Octoher in Newcastle-upon-Tyne. Some 48 sales executives from the Cadhury chocolate company are closeted secretly in a botel in this North of England city to discuss the final plans for the lauoch the following Monday of a new chocolate bar-called Wispa. It is the product which could prove to be the major breakthrough in boosting Cadbury's fortunes in the competilive confectionery market. Absolute secrecy was considered essential to avoid archival Rowntree Mackintosh from launching a pre-emptive strike in the area.

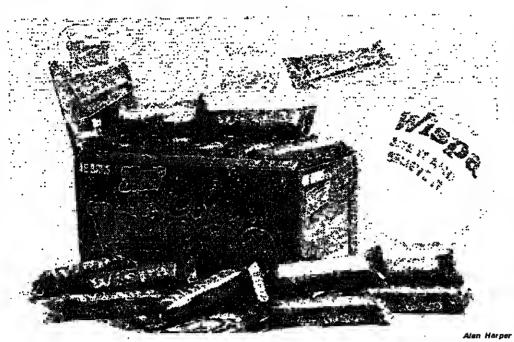
Suddenly, the secret was out. The local evening paper broke the story with a front page banner hesdline shouting the news: "Wispa is back!"

"All hell broke loose then."
recalls Norman Hawkins, Cadhard commanded director

bury's commercial director. "The local newsagents and con-"The local newsagents and confectioners were clamouring to find out if it was true and when they could get supplies." These small shopkeepers clearly remembered the test launch of Wispa in the Newcastle area some two years previously—a test that had to be abandoned after a few weeks "because demand was so embarrassingly ligh" and stocks simply ran high" and stocks simply ran

Chocolate lovers, of which Britain bas more per head than any other country in the world. persistently pressed their local shops for supplies of this oblong-soaped har containing milk chocolate wblpped into thousands of tiny bubbles. The few hars that were left even found their way on to a sort of black market. "We had many ordinary people even taking the trouble to write to us asking where they could get sunnties." remembers Hawkins. When Wisda returned to New-Chocolate lovers, of which When Wisoa returned to New-castle on Monday October 24 this year, it sold 9.5m bars in the first week and boosted Cadbury's total market share in the region by almost a third—an unprecedented performance for a new product. The local Woolworth store alone sold 10,000 Wispa bars in one day— more than 10 times the numher it would normally expect to sell of its most popular con-fectionery product. "It was simply unbelievable," enthuses Hawkins. "I've never seen or heard of anything like it in my 25 years in the business." All this may sound very much

All this may sound very much like a marketing man's hyper-bole, especially since the pro-motional package accompanying the Wispa launch was one of the costliest ever for Cadbury's. (If the money actually spent in Newcastie were reflected nationally, the amount would



Will word of mouth spread the Wispa?

David Churchill reports on Cadbury's latest confection

tremely hnoyant sales for Wispa, Large grocery multiples such as Tesco, which have been reluctant to take a new product so close to Christmas, are now eager to stock the chocolate bar in some quantity in the New

Yet there remains a nagging doubt about any new chocolate product any new chocolate product making any lasting impact in the chocolate confectionery market. The leading hrands have been around for decades—Cadbury's Dairy Milk was first sold in the early part of this century while Mars bars first appeared a half a century. first appeared a half a century ago—and few rivals bave suc-cessfully emerged to challenge their dominance in a total chocolate market worth some £1.5hm last year. The coco-late market is also little dif-ferent from other high volume consumer product markets in having a failure rate of nine out of every ten new products that are launched.

Despite the risks, though, Cadbury is confident enough to be some £7m).

But local stores in the New-custom-huilt plant at its castle aree confirm the ex-Bourneville headquarters to

Why should Wispa be any different? First of all, says Hawkins, it offers chocolate solutions a different way of eating Csdbury's chocolate. "Our market between the chocolate consultations of the chocolate consultation ket research bas consistently shown that most people equate chocolate with Cadbury's and so we wanted to capitalise on this customer loyalty." be says.

Although Cadhury had toyed with an aerated chocolate bar as long ago as the 1930s, it took the company's research and de-velopment team at its Bourneville factory in Birmingham several years to come up with a consistent formula. This re-search was carried out during the 1970s when Cadbury, like other chocolate manufacturers, searching for new products to stimulate a market which, while growing, was rapidly becoming mature in marketing terms,

The process used to make Wispa is a jealously guarded secret since it involves whipping the chocolate into a textured, light, consistency and then wrapping it in a thin coating of milk chocolate.

Apart from consistency,

could be on to a winner is that Wispa assumes the "cbunky" shape which chocolate consumers bave increasingly appeared to prefer in recent years. Rowntree first identified this trend with its Yorkie bar,

which it launched in the mid-1970s. The success of this pro-duct—offering chunks of coco-late rather than thin squares—

eventually led to the other manufacturers, including Cad-bury, following sult with chunky versions of their existing best-

At 16p it costs 1p less than other such popular products as Msrs

selling hrands.

to deliver supplies of Wispa to local children's bospitals. The television commercials, pro-duced by the Young and Rubicam agency, cleverly featured television stars from such series as Hi-de-Ht. Yes Minister, and It Ain't Half Hot Mnm whisper-ing the secret of Wispa to each

Yet in spite of the initial clamouring of the Newcastle public for Wispa, there are some within the trade who think Cadbury may still miss out. "The major threat to Cadbury estab-lisbing itself with a major new chocolate brand must come from Rowntree and its well-established Aero product." auggests Richard Eassle of the Mintel market research company, which closely follows new product launches. "Cadbury bave seemed e bit slow in whole beartedly supporting Wispa and it may lose out in the end."

it may lose out in the end."
Rowntree has indeed launched
a fierce counter-offensive to
Wispa, When Cadbury first
test-marketed Wispa in the
Autumn of 1981, it prompted
Rowntree to accelerate plans to
bring out a chunky version of
its Aero bars. "We had been
the first into chunky chocolate
bars with Yorkie." says marketbars with Yorkie," says market-ing executive Gordon Priestly, "and so it was natural for us to extend the Aero bar into a chunky product."

Although the Aero hubbles are higger than those in a Wispa, the chunky Aero still offers the same sort of light chocolate har. Rowntree test-marketed the new-style har in Yorkshire in September last year, and subse-quently distributed it nationally from the Spring of this year. It is priced at 15p-1p less than Wispa. Trade estimates suggest it could eventually outsell the original Aero bars. Whether it will outsell Wispa

is another matter. In the New-castle area the trade says that Wispa is heavily outselling the new Aero—but that is not too surprising, given the beavy promotional support for Wispa. Cadbury's Hawking also dentes eventually led to the other manufacturers, including Cadbury in supporting Wispa, bury, following sult with chunky versions of their existing best-selling hrands.

A further reason for Wispa's area—which represents about the chocolate selling tracted in the less than exhaust the selling hrands. 5 per cent of the chocolate-consuming public," he says. Wispa sales were extended earlier this month to Northern hars or Cadbury's Flake (with which it is in competition). Cadbury believes that Wispa highest per capita chocolate offers the taste of its cbocolate consuming parts of the UK—at a price that makes it a quick hut Hawkins refuses to say bow impulse buy, especially by children, who remain an excan be sold nationally, especitive price conscious sections ally in the jucrative South. children, who remain an ex- can be sold nationally, especi-tremely price conscious section ally in the incrativa South-of the chocolate consuming Eastern part of the country. public.

Cadbury, it would seem, is hop-Not surprisingly, the promo-tional launch in Newcastle was to induce chocolate lovers to geared towards children, with start a national clamour for sky-divers parachuting into the Wispa.

Advertising in 1983

Doing very nicely

BRITAIN'S advertising indus-try has many reasons to be well satisfied with its progress in 1983.

In terms of expenditure, advertising has performed exceptionally well with every single media aector—including classified—doing very well.
This, suggests Mike Waterson,
research director of the
Advertising Association, is
generally a good indicator of generally a good indicator of real economic recovery. "In fact advertising expenditure is at an all-time high. Which-ever way you look at it," he says, "in absolute terms, as a percentage of GNP, it's high. The last time this was the case was 1973—it's taken this long to crawl back."

to crawl bsck."

In fact the media cake has swollen by 9 per cent in real terms, the largest for many years. It's bighly unlikely that this rise across the board is accidental, says Wsterson. There's been a tremendous surge in company profits which, combined with a rise in consumer spending, means companies can see their markets expanding and are feeling more confident. Historically, whenever company profits and consumer expenditure have risen, advertising follows.

sumer expenditure have risen, advertising follows.

It has heen a year which bas seen e significant shift in attitudes to advertising—what it can and cannot do—with the industry winning alles and convincing people (many at government level) of its value as consumers' friend rather than gratuitous manipulator.

Recent moves by many of the Recent moves by many of the professions—particularly opti-cians, solicitors and account-

ants-towards marketing them-aelves (backed in the opticians aelves (backed in the opticians: case by the Government) is regarded by Waterson as 'a revolution' in how advertising is perceived. The opticians' affair is the first instance be knows of Government (Office of Fair Trading), consumer groups (Consumers' Association. the National Consumers' Council) and the advertising industry having advertising industry having concurred in such a way. concurred in such a way.

"There's been enormous interest all round." ha says of the professions. "It's important not so much for the revenue it might generate—which will be low initially—but for the principle of the thing. ..."

Those ploneers of the industry to have gone public have turned in respectable, and in

Scott reported substantial in-terim profits of £204,000 for the first time since going public (having lost £121,000 in the 1982) first half), plus gaining about £6m of new business. mings paid the price for

heavy investment in its regional offices with pre-tax profits to end September halved at £252,000, though the outlook Not so happy is Geers Gross which suffered stock market blues with only a modest rise in

November beats that to show the largest monthly figure of £96.64m, e 25 per cent rise on

The Independent Television Companies Association reports a buoyant second half with ITV (including Channel 4) attracting 53.4 per cent of total viewing audience against BBC 1 and 2 — a considerable improvement on 1882 which was 49.5 per cent without Channel

One area where there's no progress to report is the interminable Equity-IPA dispute now rumhling into its second

yeer for this young medium;
nstional advertisers which
tested the medium in 1982
stayed for 1983. The most

turned in respectable, and in have come more to the fore Saatchi's case, notable results, this year, with two of the Saatchi, with pre-tax profits largest, TMD and Chris Ingram, doubled to £21.21m in the 12 billing £30m and £24.4m

EDITED BY ALAN CANE

months to September 1983, outperformed them all. Its turnwith wry amusement the trend
over, too, more than doubled, among large agencies to siphon
Most of this was through
sequisition, though a healthy 35
per cent was organic growth.

Wight Collins Rutherford
Wight Collins Rutherford
September 1983, outrespectively. They have noted
among large agencies to siphon
off their own media departments as separate entities
(Horizons at Young and
Rubleam, Mercury Media at off their own media departments as separate entities (Horizons at Young and Rubicam, Mercury Media at Benton and Bowles).

Frank Lowe bolcked his young agency many leagues up the chart on his merger with the internationally linked but beleaguered Wassys.

Davison Pearce, the UK's third largest agency, celebrated its most spectacular year by increasing its billings by 41 per cent since its management buyout from Ogitvy and Mather in February.

blues with only a modest rise in interim profits and no rise in join the ranks. In particular interim dividend.

Record revenues

Commercial television, despita a shaky start to the year, with Channel 4 and TV-am's baptism by ire, ends on a high

a shaky start to the year, with recruitment campaigns. Channel 4 and TV-am's baptism by ire, ends on a high note. Record revenues are reported for October with a 34.4 per cent rise on 1982 of £94.9m. John Watts, chief executive of November beats that to show Mills and Allen, "from a slow record to the property of the start to show the property of the start to all the property of the start of the poster bases it has been a year of getting its act.

The market base changed dramatically, says per cent rise on 1982 of £94.9m. John Watts, chief executive of November beats that to show the poster business it has been a year of getting its act. Mills and Allen, "from a slow moving long-term market to an extremely fast one. It's come up to date with a bang. Where short term used to mean booking in January for April, May and June, it now means talking about January in mid-December."

ember."
Despite the furore about data protection and privacy recently aimed at direct mail, now the nation's filled largest advertising medium, the Direct Mail Sales Bureau reports that it has never been so widely considered as an alternative by advertisers. There's considerable room for improvement in the way the press markets itself and services now rumhling into its second year—a real problem, which has made life difficult for TV-am and Channel 4.

Commercial radio spawned three new stations and closed one. It's been a satisfactory year for this young medium; which advertisers which second in the way the press markets itself and services its advertisers, according to Ken Miles of the incorporated Society of British Advertisers. Cooperation among newspapers year for this young medium; which services which the Newspaper Conference services with the control of the composition of the next year bodes well.

stayed for 1983. The most stayed for 1983. The most Significantly, classified adnotable was Kleenex, which jettisoned its television links are so good were its radio results, and now plans a total national radio campaign for 1984.

The top 20 agencies have been shaken and starred by various mergers, account fittings and international alignments. Media Independents have come more to the fore this year, with two of the

Feona McEwan

757.6

CERMA

1440

TECHNOLOGY

APPLE STAKES ITS FUTURE ON ANININOVATIVE PERSONAL COMPUTER? ADVANCE IN METER READING METHODS

Will 'Mac' make it big on 'broadway' Why the meter man should never

BY LOUISE KEHOE IN SAN MATEO. CALIFORNIA

pected to he unveiled at the product introduction shows. Last company's annual meeting on year the company revealed January 24. "Lisa" with similar dramatic

of analysts that follow the fast paced, multi-billion dollar per-sonal computer industry will already have voted "Mac" a hit or a miss.

The introduction of a personal

computer is a major event for any manufacturer. For Apple Computer, the introduction of "Mac" is critical, if the product is successful, Apple could regain its crown as the leading U.S. Personal computer maker. If "Mac" flops, Apple's pride, and the company's image as a technology leader, will go with it.

product as the climax of the show. The Apple Theatre is currently running daily perform-ances for selected audiences of journalists, industry analysts, from retailers.
retailers, and distributors who So Apole badly needs "Mac"

FOR APPLE Computer, the future depends on "Mac," a Apple, and its publicity personal computer that is example. January 24.

By then, however, "Mac" will be old news and the hundreds of analysts that follow the fast paced, multi-billion dollar perparents.

"Lisa" with similar dramatic art. In that case, the previews were a great success, but the "show" did not last on the road. Lisa is acknowledged as a reshulcally superior personsi technically superior persons computer, but it has not been a great success in the market-place. Retailers continue to complain that Apple's Lisa Is too expensive to compete with other computers, despite an 18 per cent price reduction in Sep-

tember.
Recently Apple president
John Sculley acknowledged that Lisa was a disappointment." We learned a lot from Lisa," he said. "Most of it was positive, but we made mistakes." Apple's event. It is being planned like a major theatrical production. Sneak previews are underway. These intimate showings of Mac are being staged in Apple's purpose-built product introduction theatre, complete with curtain-

like nartitions that are drawn introduction, was also a flop, back dramatically to reveal the Although the company is now

are invited to meet Apple's to be a hit. According to those measuring only 3.5 inches in executives for a preview of the who have seen it, "Mac" will diameter. audience. Like Lisa, Mac will poter or Apple's earlier pro-



be easy to use. A "mouse" pointer and a set of "lcons" on the video screen will replace keyboard commands to direct

"Mac" has been called ugly, but its "footprint" is hand-somely small. That is to say, it will take up very little desk space—a criticism of earlier Apples. Mac'a brain is a 6800 introduction, was also although the company is now putting significant effort into reviving the III, the computer carries a heavy weight of negative publicity, and indifference from retailers.

The machine will come with plenty of internal memory and will be equipped with a new type of micro-disk drives measuring only 3.5 inches in

ducts. The all important library of applications software available for Mac will, however, include a plentiful supply of

When the curtain goes up. Apple and its sbarebolders will be bolding their breaths. Mar

business and home programs. Hundreds of software companies have heen secretly developing programs for Mac over the past year. That, in itself, is seen as an industry vote of confidence.

now seems aure to meet with instant sociaim, but the real test for Apple will be whether Msc can reach the "broadway" of product.

nroduce thunderous appliaus.

Mac will have its own way of mass appeal in the personal

All attendecs are required to The machine is said to incordoing things on a proprietary computer market, or whether it
sign non-disclosure agreements, porate many of the innovative operating system. It will not be will, like Lisa, remain an "off lest they should be tempted to features of "Lisa" at a price immediately compatible with brosdway" hit, thet appeals upslage Mac's first public per that will appeal to a much wider either the IBM Personal Comonly to the cognoscente of desk-



Apple's Lisa, above, featured innovations derived from the Xerox 'Alto' research program including multiple screen windows and leons, right. Despite critical acclaim, cost and poor marketing strategy meant it failed to make much impact

have to call twice again

By PETER MARSH

METER READERS employed the householders are ont. In one option, the electromagnetic experience a marked upturn in supply industry is experim oh satisfaction. A device sold ing with ways of obtaining data by a company in Surrey promises to reduce the time they waste calling on houses when no ample, the information could be

With the hardware, the meter With the hardware, the meter resider can measure electricity consumption even when the house is empty. Normally, such people can gain a reading only hy physicsily inspecting the meter, which may be in the basement of the bouse or under the stairs.

The equipment produced hy Infratec of Woking channels in-formation from the meter to a light cell fitted into the front door. The electricity-board em-ployee can then obtain a resding simply hy pointing an infra-red detector at the front of the The instrument translates the

series of pulses that the cell emits into a figure for the level of consumption, which is re-corded in an electronic memory. Information from the detectors Several of Britain's electricity boards are talking to Infratec about huying the bardware. All the boards are concerned at the inefficiency of reading meters times balf the calls that these people make are futile hecause

the householders are ont.

In one option, the electricity supply industry is experimenting with ways of obtaining data about consumption without the need for inspectors. For existing the independent of the idea hoose that he idea hoose that ing with ways of obtaining data about consumption without the sent to the board's headquarters by radio waves or by the tele-

would cost only about £10, says the company. The electricity boards would also need to equip their inspectors with infrared detectors, which look like large torcbes, at a cost of a few hundred ponds each. According to Infratec, the

"torches" could be linked to instant billing machines, which the staff employed by the electricity boards would carry around with them.

and convert this to s hill, which box. In this way, the cost of administering accounts and posting hills could be sharply A key part of Infratec's energy consumption.

of the idea before,

A small infrared transmitter is elipped to the side of the electricity meter. This directs rays at the disc inside the meter that revolves at a velocity pro-portional to the rate at which electricity is consumed. A smell black mark on the disc indicates when the disc had made a com-plete revolution.

By "watching" for this hlack mark, the transmitter monitors the level of consumption. A small package of electronics converts this figure into a reading which is channelled by electric signals along wires to the front door.

The adavantage of this tech-nique says Infratec, is that the bouseholder does not need to tamper with his meter in any

In another possibility, offices could be immediately put or factories could employ the through the bouseholder's letter same system to channel same system to channel information from meters to central computers, for example as part of schemes to monitor

Cloth cleaned, pocket suited

tergent

BY ANTHONY MORETON

dustry is therefore now engaged and pattern; and application of he completely wetted out using in a bunt for every possible a range of chemical and mech-conventional techniques.

msde fibre side of the industry, has, as part of a programme nimed at developing optimum low-energy pathways for textile at the first, preparstory stage, at which the cloth is thoroughly always of all impurities fats. pregnation system.

This overcomes the problem of inadequate wetting-out cloth, which was a major stumbling-

oped a new steam purge im- cleaned of all impurities, fats, waxes, lubricating oils and size, usually by immersing the cloth in hot alkaline solutions of de-

MANY OF the new fibres and the key to single-stage, more plete wetting-out of the fabric, new dyeing and printing processses introduced in the textile Textile finishing may be industry during the 1960s and divided into three distinct efficient, and is epplicable to 1970s arrived just before the phases: cloth preparation; dyeses of course took of Tho in our printing to large of the same those which carrots cost of energy took off. The in- ing or printing, to impart colour fibre, even those which cannot

energy-saving process.

anical treatments to give the

The Shirley Institute in Manchester, the leading research
body on the cotton and manthat the cotton and mananical treatments to give the
Cloth dimensional stability and
the Institute's energy group,
who has been leading this work,
becomes that use of the new Dr John Roberts, manager of water-proof, low-flammability machine in conjunction with a combined desire, scour and bleach at low temperature can reduce the level of energy use and make significant cost reductions,

Shirley has worked in col-laboration with Sir James Far-mer Norton (International), a major UE finishing machinery manufacturer, to develop the. block to efficient energy use in The steam purge prior to this new system purge impregna-fabric finishing and provides scouring process ensures comtion system.

KEYMED INDUSTRIAL SPECIALISED OPTICAL! -EQUIPMENT FOR-INSPECTION, AND SECURITY

RING 02 616333 FOR DETAILS Computing

Readers digested

IN FEBRUARY, authors will receive their first royalties through the Public Lending Right—via a computer that has in its 680-megabyte store some 7,750 registered authors names and over a million book

Logica has designed the special-purpose software and has also supplied a Perkin Elmer 3210 computer for the

The first PLR payments will be calculated from nearly 3m loans recorded in 18 sample libraries between January and June 1983. As each book and June 1983. As each book is issued to the borrower, its label is read electronically to record the loan on the local library computer. The data will be transferred in bulk monthly to the main PLE machine at Stockton on Tees.

By scaling up, loans at the 16 sample libraries are used to determine what proportion of the available £2m each book has carned nationwide. hook has earned nationwide.
There is a minimum limit of
£1 per book and a maximum
of £5,000 per author. Logica
is on 01-627 9111.

Communications Microwave

radio link MICROWAVE ASSOCIATES has infroduced a lightweight portable microwave radio link suitable for medium or stort-

range transmission of mone-chrome picture signals. The hardware will link the instrumer will link cameras and picture monitors, particularly in mobile units. The link is frequency modulated and works in any allocated channel in the 1.2 to 2.0 GHz band. The transmitter and receiver have a high-gain dish aerisi and an omni-directional serial. The units work from a 12 voit supply and the range is up to about

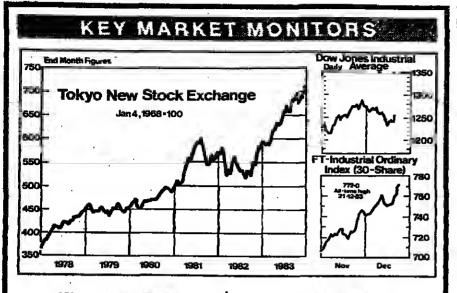
INTERNATIONAL CAPITAL MARKETS 30

SECTION III - INTERNATIONAL MARKETS

FINANCIALTIMES

Thursday December 22 1983

Arbitration sought in cotton row, Page 28



STOCK	MARKET	INDICES		CURRENCIES							
NEW YORK	Dec 21	Previous	Year ago	U.S. DOLLAR STERLING							
DJ Industrials	1254.98	1241.97	1030.26	(London) Dec 21 Previous Dec 21 Previous							
DJ Transport	596.79	591.09	439.52	S 1.4225 1,419							
DJ Utilities	131.17	130.78	117.02	DM 2.7715 2.766 3.9450 3.9275							
S&P Composite	163.56	162.00	138.61	Yen 234.90 234.7 334.25 333.25							
LONDON				FFr 8.4600 8.4475 12.03 11.985							
FT Ind Ord	772.00	769.80	593.40	SwFr 2.2140 2.205 11.53 3.13							
FT-A All-share	468.05	464.87	380.41	Quilder 3.1150 3.108 4.4325 4.4125 Lira 1681.50 1679.0 2391.0 2382.0							
FT-A 500	499.30	496.66	420.34	BFr 56.46 56.37 80.35 80.0							
FT-A Ind	460.75	459.70	394.61	CS 1,249750 1,24875 1,7770 1,7715							
FT Gold mines FT Govt secs	580.10 82.93	570.10 82.70	529.70	Tarrette Tar							
	دهده د	02.70	80.11	INTEREST RATES							
TOKYO	2747.00	2227 00		Euro-currencies Dec 21 Prev							
Nikkei-Dow	9717.65	9627.93	7810.15	(offered rate)							
Tokyo SE	712.27	708.53	576.88	\$ 9% 9%							
AUSTRALIA				SwFr 41% 4%							
All Ord.	758.10	757,80	467.80	DM 64/10 67/10							
Metals & Mins,	546.30	548.40	389.40	FFr 12% 14							
AUSTRIA				FT London Interbank fixing							
Credit Aktien	55,78	55,91	49.50	(offered rate) 3-month U.S.\$ 10% 10%s							
BELGIUM				6-month U.S.\$ 10% 10%							
Belgien SE	135.18	134.79	98.89	U.S. Fed Funds 9% 9%							
Deighar Oc	100,10	107,14	30,03	U.S.3-month CDs 9.80 10							
CANADA				U.S.3-month T-bills 8.991 9.02							
Toronto											
Composite	2537.77	2511.60	1864.30	U.S BONDS							
Montreal				Treasury Dec 21 Prev							
Industrials	442.99	437,59	315.03	Price Yield Price Yield							
Combined :	426,42	421,63	311.10	10% 1985 991%2 10.78 991%2 10.80							
DENMARK				111/2 1990 9821/2 11.75 9811/2 11.80							
Copenhagen SE	204.44	202.23	94.98	11.75 1993 9923/2 11.80 9913/2 11.86							
FRANCE				12 2013 1002 11.89 1001 2 11.95							
CAC Gen	149.70	149.20	99.40	Corporate Dec 21 Prev							
Ind. Tendance	160.50	159.90	118.30	AT&T Price Yield Price Yield							
WEST GERMANY				10% June 1990 92% 12.00 92% 12.00 3% July 1990 67.432 11.00 67.432 11.00							
FAZ-Aktien	346.23	345.25	247.85	3% July 1990 67.432" 11.00" 67.432 11.00 8% May 2000 75%" 12.20" 75% 12.20							
Commerzbank	1024.90	1021.20	747.90	Xerox 15% 12.20 15% 12.20							
				-10% March 1993 91% 12.20' 91% 12.20							
Hong Kong Hang Seng	857.56	858.53		Diamond Shamrock							
	037.40	000	. 750.10	10% May 1993 89% 12.50 89% 12.50							
ITALY			70.70	Federated Dept Stores							
Banca Comm.	189.65	189.54	185.20	10% May 2013 85% 12.45* 85% 12.45							
NETHERLANDS				Abbot Lab							
ANP-CBS Gen	148.40	147.80	97.80	11.80 Feb 2013 94.90* 12.45* 94.90 12.45							
ANP-CBS Ind	122.80	123.20	82.50	11.80 Feb 2013 94.90* 12.45* 94.90 12.45							
NORWAY				12% Dec 2012 94.724* 12.95* 94.724 12.95							
Oslo SE	214.86	213.38	95.26	12% UBC 2012 34.724 12.55 34.724 12.65							
				FINANCIAL FUTURES							
SINGAPORE Straits Times	981.83	985.74	727.54								
SHARS FRIES	301.03	305,1-1	121.00	CHICAGO Latest High Low Prev U.S. Treasury Bonds (CBT)							
SOUTH AFRICA				8% 32nds of 100%							
Golds	860.8	846.2	855.40	March 69-21 69-29 69-16 69-14							
industrials	941.6	937.1	726.90	U.S. Treasury Bills (IMM)							
SPAIN				51m points of 100%							
Madrid SE	118.14	118.26	99.29	December 91.03 81.13 91.02 91.03							
SWEDEN				Certificates of Deposit (MM)							
J&P	1451.77	1449.25	883.35	\$1m points of 100%							
	170111			December 90.11 90.18 90.10 90.13							
SWITZERLAND			770 AD	LONDON							
Swiss Bank Ind	375.70	372.30	278.40	Three-month Eurodollar							
WORLD	Dec 20	Prev	Yr ago	\$1m points of 100% March 89.74 89.74 89.55 89.61							
Capital Int?	179.20	178.70	150.90	20-year Notional Gilt							
GOLE	per ou	mca)		£50,000 32nds of 100%							
- UVI	The or	1100)		December 109-24 109-27 109-05 109-07							

\$377.875

\$378.00

\$378.25

\$375.44

\$375.25

\$379,40

Dec 21 \$378.375

\$378.75

\$378.75

\$378.65

\$377.80

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Zürich

Pans (fixing)

WALL STREET

GNP growth forecast raises hopes

The year-end rally moved into full stride on Wall Street yesterday when the Com-merce Department, in its "flash" fore-cast for the final quarter of the year, predicted a lower rate of growth in U.S. gross national product than the bond market had been expecting, writes Terry

Byland in New York. The announcement, which was quickly followed by optimistic comments from Mr Donald Regan, the Treasury Secre-tary, brought a rapid recovery in bond prices from the falls suffered late on Tuesday, on disappointment with the terms of the Treasury's \$15bn refunding programme, to be put into effect next

The market's own optimism also showed itself in a sbarp jump in leading

109-24 109-27 109-05 109-07

618.20p

£918.00

£2013.50

608.90p

£978.50

£2039.00

COMMODITIES

Silver (spot fixing)

Oil (spot Arabian light)

Copper (cash) Coffee (Jan)

stocks in the early part of the session.

The advance slackened at midsession, but the market was led forward again in the final hour of trading when there was renewed support for leading stocks. The Dow Jones industrial average ended 13.01 higher at 1254.98, with turnover showing a significant increase at 107m

The Commerce Department's forecast was regarded on Wall Street as a welcome indication that the economic recovery is proceeding at a more restrained rate, and is thus less likely to provoke intervention by the Federal Reserve to tighten credit policies.

Also steadying sentiment was news that consumer prices rose by only 0.3 per cent last month, a further sign that inflationary pressures are less fierce than bas been thought. Among those to lead the stock market

ahead were IBM \$1% up at \$123%; General Motors \$½ better at \$74; Honeywell \$2 ahead at \$137%; and General Electric up \$1% to \$57%.

Widespread gains were again achieved among the airline issues, with AMR, parent of American Airlines, up \$% at \$37% and UAL (United Airlines) \$% higher at \$37%. The Dow Jones transportation average was also boosted by gains in rail issues.

A recommendation for oil shares by a major brokerage house - which believes the sector bas been left behind because of the doubts over oil prices - brought a gain of \$% to \$37% in Exxon, and \$2% to 842 in Atlantic Richfield

Among the most active stocks was MGM-UA which slipped \$% to \$14% on turnover well above 1m shares as stockholders took the view that no counterbid to Mr Kirk Kerkorian's terms would be forthcoming and sold their stock to arbitrageurs wbo will "warehouse" it until the bid is finalised.

K-mart. \$% higher at \$33, responded vigorously to the reports of excellent Christmas trading. But other retailers had a subdued session.

Sony, the Japanese electrical products manufacturer, added \$\% to \$15\%, taking its lead from the strong rally in the To-

kyo stock market. Other firm features included American Express at \$31%, still recovering poise after the recent warning on this year's earnings prospects.

Among the home computer manufac-turers, Coleco Industries, fell \$4% to \$181/2 as doubts over the sales progress of the group's new Adam computer strengthened after J. C. Penney, the store group, said that it had removed the Adam from its list.

In the credit markets, yields slipped lower following the GNP forecast from the Commerce Department. Trading as not heavy hut dealers saw some re-

tail buyers for a change.

The traditional weekly make-up day operations at the banks kept the Federal funds rate high at first, but it eased to 9% per cent later after minor help by the Federal Reserve in the form of bill purchases.

The three-month Treasury bills were at a discount of 8.94 per cent against 9.02 per cent overnight, and the six-month at 9.17 per cent against 9.24 per cent.

At the longer end, where inflationary expectations bave been a significant factor recently, yields shed seven to 10 basis points. The key long bond traded at 100 1/12 from 100 2: overnight, and yielded 11.90 per cent.

In the municipal bond market, prices added around balf a point after a major underwriter suspended trading in Guam development bonds pending discussions with the U.S. Treasury regarding an apparent change of official policy on the tax-exempt status of territories classed as associated with the U.S., but not as states of the union.

Suspension of the Guam loan puts \$850m back into the market, and this figure could rise to \$1bn if other similar loans are suspended. Some of this cash found its way into other municipals, lifting the interstate power agency bonds to 98, against 97% on Tuesday.

TOKYO

Foreigners arrive in force

A BROADLY BASED surge in prices of chemical, textile, shipbuilding and big-capital steel stocks, triggered by beavy foreign buying of large-capital issues generally, sent Tokyo soaring to a second successive peak yesterday, but the spiralling prices alarmed some investors, writes Shigeo Nishiwaki of Jiji

The Nikkei-Dow market average added 89.72 to finish at 9,717.65, above the 9,700 level for the first time. Volume, a record 740.59m sbares against Tuesday's 500.25m, was the largest since 721m sbares were traded on February 2.

Heavy foreign institutional buying was identified in medium and low-priced big-capital issues. Foreign buying in the morning session amounted to 55m shares, compared with foreign selling of

Buying on bopes of year-end rises was thus further spurred by heavy foreign purchases. Foreigners showed a particular interest in Mitsubishi Heavy Industries, which climbed Y9 to Y272. Other big-capital issues rising sbarply

were Sumitomo Chemical, up Y11 at Y205; Nippon Steel, up Y8 at Y170; Kawasaki Steel, up Y7 at Y180; and Nippon Kokan, up Y8 at Y146. Blocks of 1m shares were noted being bought from abroad. The bond market had a firm trading

session, belped by improved supply-demand conditions, more extensive dealings by financial institutions, especially city banks; and purcbases by industrial corporations and financial institutions serving the agricultural and forestry sectors.

The yield on the benchmark 7.5 per cent long-term government bond, matur-ing in January 1993, hit a low of 7.4 per cent at one stage. The 7.5 per cent bond traded on the inter-broker market was also quoted at a low of 7.41 per cent. down from Tuesday's 7.435 per cent.

Trading in convertible bonds on the Tokyo Stock Exchange bit an all-time record high of Y92bn.

LONDON

Bank's view assists record run

A MILDLY OPTIMISTIC quarterly bul-letin from the Bank of England, declar-ing that the UK economy is now among the world leaders, helped London equity markets to continue their record-break-

ing run yesterday.

The Middle East bid of up to 395p per share for a stake in Kleinwort Benson prompted it to jump 53p to 420p and sparked off a further wave of speculative activity in the merchant bank sec-

Blue chip industrials moved narrowly in thin trading, but the FT Industrial Ordinary index closed 2.2 up at a peak

Government securities had late gains in the longs extending to 1/2 while shorter maturities closed marginally higher. Detnils, Page 23; Share information service, Pages 24-25

AUSTRALIA

THE FIRMER world hullion price helped to revive gold stocks in Sydney, and industrial issues also edged ahead, al-lowing the All Ordinaries index to close 0.2 firmer at 758.1.

However, the latest round of local bank prime rate cuts failed to inspire investors, whose focus remained on U.S. interest rates and their impact on metal

HONG KONG

LEADING STOCKS were mixed at the end of the regular balf-day trading session in Hong Kong and the Hang Seng index suffered a 0.97 setback to 857.56. Business continued to be thin.

Among leaders, Cheung Kong added HK\$1.05 to HK\$7.05, while Hongkong Bank put on 5 cents to HK\$7. Hongkong Land fell 3 cents to HK\$2,82.

Hutchison Whampoa and Jardine Matheson each shed 20 cents to HK\$14.10 and HK\$10.90 respectively.

SINGAPORE

PROFIT-TAKING and a lack of fresh buying left shares easier for the third consecutive day in Singapore. The Straits Times industrial index dipped

3.91 to 981.83. The plantation sector proved an exception to the trend, led by K.L. Kepong, which added 2 cents to S\$3.12 after announcing higher sales and after-tax profits for the year to September 30.

SOUTH AFRICA

A REVIVAL in Jobannesburg gold sbares was followed immediately by profit-taking, to leave prices well off their highs for the day, with trading quiet and institutional involvement said to be minimal.

Of the mining houses, Anglo-American managed a 20 cent gain at R19.50 and Gold Fields advanced SA 50 cents to R24.75. De Beers firmed 5 cents to R9.

CANADA

AN EARLY setback in Toronto was swiftly corrected as oil and gas issues joined golds in providing a strong sbowing. Base metals and the industrial side were more muted.

By contrast, Montreal industrials were to the fore, followed by the utilities sector, but selling was evident among the major quoted banks and the papers



EUROPE

Tidying up uncovers bargains

STRONG PERFORMANCES were recorded in many European centres yes-terday as investors tidied their opera-tions for the year and looked forward with optimism to signs of an economic upturn in 1984,

An active day's trading in Zurich took the industrial index up 3.4 to 375.7 - a high for the year. The chemicals and general indices were also at peaks.

Heavy demand sent Oerlikon-Bübrle up SwFr 40 to SwFr 1,280, and it led the bourse higher. The buyers were said to be private banks in Geneva whose interest was whetted by the market view that the company's arms order inflow was better than expected.

Bond prices continued to advance

slightly in moderate activity. Continued strong foreign demand for publishers was a feature of a mainly higher Amsterdam. Elsevier opened at a record high of Fl 496 and continued to advance to FI 505 - FI 13 up on the previous session. VNU added Fl 2 to Fl 125.30. The bond market moved slightly low-

Brussels remained firm, despite a drop in activity. Among holding compa-nies, Groupe Bruxelles Lambert added BFr 15 to BFr 2.295 and Societé Generale BFr 5 to BFr 1,680.

Banks were in particular demand in Frankfurt. Deutsche added DM 6.70 to DM 330.20, while Commerzbank and Dresdner each rose DM 3 to DM 167 and DM 170.50 respectively.

Among industrials, Thyssen rose DM

1.50 to DM 80

Bonds beld steady and the Bundesbank sold DM 54.4m of paper to balance the market after Tuesday's DM 64.3m

In Milan, AT&Ts announcement that it had agreed in principle to buy around 25 per cent of Olivetti was met with enthusiasm. Olivetti, which at the lunchtime official close was down L39 on the day at L3,811, ahead of the announcement, was later quoted at L3,950 in after-hours trading. Elsewhere, shares were mixed following the previous session's rally.

Early sentiment in Paris was boosted by a cut to 12% per cent in daily call money rate from 12½ per cent, but activity later subsided.

Thomson-CSF added FFr 6 to FFr 191 after an announcement by the Stockbrokers' Association that the state-owned Thomson-Brandt had increased its shareholding to more than 50 per cent

from around 41 per cent. Shares were steady in quiet Madrid trading. Commercial banks, which were out of favour on Tuesday, ended the day

In Stockholm, Pharmacea continued its advance, adding SKr 13 to SKr 323 as part of a broad recovery in the market.

Who'll be home for Christmas? What better way of bringing Christmas spirit into your home than a bottle of Johnnie Walker Red Label? Enjoy with family and friends the taste of the world's most distinctive Scotch Whisky. Have a very Merry Christmas. Johnnie Walker Red Label.

Recognised everywhere

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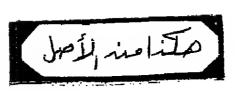
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K-K-K-K 4. 通知电影解析通知证证法感染的特别中心是特殊的对抗或的感染和激素的不可以或有效的现在分词是不是有的,但是是一种,我们是是一种,我们是是一种的人,可以是一种的人,可以是一种的人,可以是一种的人,也可以是一种的人 36% 35% 17% 36% 50 50 51 51 76% 6 60% 46% 20% 20% 30 20% ## - 5 # ### - 5 ## - KOI KLM Kmarki Kmarki Kmarki Kmarki Kopi Kopi Kopi Kmarki 40元代据通常设计中央对中部成代对通讯和广泛表表现的作品对中心中的实际对话或是对话, 201, 405, 250, 18, 27 261 465 19 27 表記は表現の形成のでは、100円のでは、100円では、1 第八十八条4的形式的名词上感到作为他也也一条话说上对数据的有限的心理感觉或数数形式数数形式数数形式数数形式 医唇样的 一种现在分词 计分类系统设计 电光线线线线 电电影影响器 电光线线线线 医光线 3 12 42 3 6 1146 9 1251 9 16 197 7 5 1 6 995 1 26 1 15 9 1109 121 10 1157 8 11 18 145 | No. 30% 42% 13% 30% 80 . 15% | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | ESPREEDE STATES EN STATES THE ASSET OF THE PROPERTY OF T 大型光电影性所谓的影片不断的感觉是这种感觉的感觉的感觉的感觉的感觉的一致情况不过的不是一种感觉的感觉的感觉的感觉的感觉的感觉的感觉的感觉的感觉的感觉的感觉的。 《图光电影性所谓的影片不断的感觉的感觉的感觉的一句话也有说明的感觉的,一句话的不过的不是一种的感觉的。如何是一种的人的话题的是一种,我们是这种话题的。 1252 211, 1117 3514 157 251 15 THE STATE OF THE S THE STEEL STREET STREET STREET STREET



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PGEPA 在现实的外面,我也是我们的现在分词,我们也是不是不是一个,我们也是我们的人,我们也是我们的人,我们也是我们的人,我们也是我们的人,我们也是我们的人,我们也是我们的 在祖母的外籍的 我們們們的問題的問題因為在我就與此為 HMG
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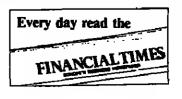
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PSCOI Salay รักการราชพิธีรังครบัสธาธิรณ์นักมหัดการสารแล้วสัตร์เหติสิตร์เหติสัตร์เหติสัตร์เหติสัตร์เหติสิตร์เหติสัตร์เหติสิตร์เหติสัตร์เหติสิตร 2000年7月10日,1000年100日,1000年10日, 感觉的是我们的时间与强化的数据作用数据的的对话。也是我也是我们的现在,我们也是有数据的是我们就也是我们的人的现在是我们的人。那么是我们的人, VFCp Valery Varior Varior Varior Varior Varior Varior Varior Varior Varior Valer Var Valer Valer Valer Valer Valer Valer W-W-W
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X-Y-Z 3 60 11 545 40 11 786 19 36 23 26 41 17 22 54 53 6 778 30 7 15 683 40 748 32 13 23 31 32 47 10 68 521, 533, 37 24 217, 521, 36 252, 37, 36 484 165 207 144 284 135 145 244 Xerox Xerox XTRA ZaleCp Zapata Zayre ZonshR Zero Zumin 50% 48% 34% 30% 15% 40% 34% 25% 26 51% 48% 35% 31% 41% 34% 25% 25% 25% 501 481 341 351 461 351 261 28 3 60 pt5 40 11 19 126 41 84 53 8 30 7 a 32 13 132 47 +1 a-dividend also extra(5) b-annual rate of dividend plus islock dividend c-liquidening dividend clo-called d-new yearly low, e-dividend declared or paid in preceding 12 months g-dividend declared atter spirt-up or slock dividend. I-dividend paid this year, omitted deterred, or no action taken at latest dividend meating, k-dividend declared or paid this year, an accumulative issue with dividends in arrears in -new issue in the past 52 weeks. The high-low range begins with the start of tracting ind-next day delivery P-E-price-earnings ratio in-dividend declared or paid in preceding 12 months, plus stock dividend, s-stock splir. Dividends begins with date of splir sts-sales to dividend paid in stock in praceding 12 months, estimated cash rivatus on ea-dividend or ex-distribution dats u-new yearly high ly-trading halted vi-in benkruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies, wid-when dehibuted, wi-when issued with warrants. In a dividend and sales in full yid-yield. 2-sales in full.

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THE THEORY AND CLOCKIC PRICES	CANADA	DENMAR
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12% 9½ Schwad 44 43 107 10% 10% 10% 1-½ 337, 8% 10% 1-½ 10% 10% 10% 1-½ 8% 9½ 27% 28% 10% 10% 1-½ 8% 9½ 9½ 10% 1-½ 10% 10% 10% 10% 10% 10% 10% 10% 10% 10%	Patina 6 Placer Bevt	- ¼ + 1½ - ½ - ½ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼ - ½ - ½ - ½ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼ - ¼
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164 74 Secret 20e 14 15 25 145 134 14 - 15 134 52 10 ried 1114 69 Sto 20 28 25 18 74 7 77 74 + 15 134 15 14 14 15 15 15 15 15 15 15 15 15 15 15 15 15	Trans. Cat. Pipe	+ ¼ Hoohtiof + ¼ Hoohtiof + ¼ Hoooki War Holosch War HolzmannF Hortan Kail und Sal Karstadt Kurnof
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	Dec. 51	URG Scharing Scharing Scharing Scharing Scharing Scharing Scharing Warta. Value Scharing Warta. Velw Scharing Wart
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TINGS - THE	Kredletbank 6,210	-10 Invest
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WAY KI SINK CONTURAL.	Industrials 1254.98 1241.87 Transport 596.75 591.09	1244.51 1242.17 1236.79 598.9 598.18 585.76
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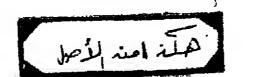
No FT...no comment.

(Clasing Prices) Stock	Dec 21	Varu.	0sc. 21	Price Knr %	+ <u>o</u> r	Dec. 91	Price Fig.	† <u>~</u>	Dec. 91	Aust. 5.86	-0.62		54 -3
AMCA Inc	25%r	± 1/8	Aarhus Olie	448	+13	ACF Holding	189	4.5	ANZ Group Aprow Aust Aliance Oli D		-0.01		
Abithi	25₩ 17₩	+ 144	Bajtica Skand:	675	+8 +7 =	Ahold.,	110.5 125.5	+0.5	Ampol Pet Aust Cons Ind		+0.82	Kypto Ogternic 9,2	
Alberta Energy	171/2 473/4	- 1/4 + 1/4	CopHan5elsbank 9. Sukkerlab	255	+7 -5	ABN.	· 31.0	T 4.4	Aust Guerant	9.5 9.67	-0.01	Marita is, misteres, 3,4	80 m
Algoras Strei	284s	+ 1/8	Caneke Bank East Asiatic	163	+10 +5			+1.4	Aust. Paper Bond Hidgs		0.01	Martical Martine	80 + 24
Ashestos	1044 2742	- 1/2 - 1/4	Forenda Brygg Forenda Damp	108		Bredero Cert Boskalis Westyn	, 70,0		B'ville Copper	5.55 2.49	+0.61	MATEL AMERICAN AND AND AND AND AND AND AND AND AND A	40 +20 9010
Bk Nova Sensis Belf Canada	44% 33%	- ½ + ¾	GNT HIdg	700		Buhrmann- Tet Calano Hidgs	j 84.4	-0.1	Brambies Inda BriO c Oil	-0.JE	ـــــــــــــــــــــــــــــــــــ	M'ta Sieg Works C	424
Bombarder 8 Bow Valley		- 2/2	Jyske Bank Novo Ind	2 885	+ 20 300	Credit Lyon'is Sk Elsevier- NOU nv.	505	+0,9	BHP	15,95		M bish Lieo	10 +4
B.P.Canada	-	+ 4	Privatbanken Provinsbanken	224	+18	9 st, Brocades	162.5		CSR	0.85	. →0,81 +0,96	The street of the street, and	82 +15 72 +9
Brascot A	2.9	- 0.05	5mi5th ifi Sophus 2 srend	1,000	+5 +25	Honogyens	45.8	+1	Castiemaine Coles (G.J.)	5.25	+0.40	Mitsul Communication	80 +15
B. C. Forest	13 34. 30	+ 42 _ 1/8	Superfos	514	-5	Hunter Douglas	55.8	+0.4	Consolidated Pet	O.AR	+0.02	Mitauknehl	A2 +4 78 -4
Con Coment	18	+ 1/4	FRANCE			Nagrden Inti	58.8		Costain Dunlop	1.53 1.72	+0.44	Minnon Dengs. 11.7	15 +8 70 20
Can HW Energy Can Packers	2974 28	+ 1/2	Dec. 21	Price Fre.	+or	Net Hed Cert Ned. Credit Bank	195.5 52.8		E.Z. Information	6.4	+0.06	Nippon Elect 3.5	90 +2
Can Irestet	45 3042	+ ¥4 ¥4	Emprunt 44% 1973		+5.3	Hed Mid Bank Nedlloyd	100.5	+2	LENGTON ROS.	7.18	+9,07	Mippon Kokan	95 +18 45 +5
Canadian Pacific Can. P. Est	50% 24%	+ 7	Emprunt 7% 1975 CNE 5%	9,598 5,025	+ 38	Nedlloyd Oce Orinten Ommeren (Van).			Gen Prop Trust Hardio (L.)	3.5		Nippon Selko	95 —5 15 —2
Can 1yre A	13	+ Vs	f Air Liauibe	510	+1 -20	Pskhoed Philips	44,4		Hartogen Energy Haraid Wy Times	3.5	+0.55	Miccon Steel . 1	
Chieftain	21¾ 15	- 1/4	BIC Bouygues BSN Gorvais	590 2,575	+50 —15	Rijn-Scheids Robeco Rodamco	4.5	+2	I'Ct Aust	0.3	+0.02	NTV 5.0	30 +50 +70
Consince	593/e 263/e	+ *4 + *4	Carrefour	1,500	+ 12	Rolinco	125.7 514.8	+1.6	Kin Ore Gold	0.16 4.8	+0.61	Hissan:Motor	36 +4
Caseka Resources	3.7 844		Club Mediter'n CFAO Cle Bancaire	740	-3	Rolinco	199 188.6 250,5	+2.5	Mayno Niekiess Moekatharra	5.75 2.9 1.2	-0,55		74 +14 95 +10
Denisor Mines	46% 51%	+ 7/8 - 5/6	Cotimes	131.8	+2,3	VMF StorkVNU		i	Myer Emparament	5.79	+0.05		50 -30 40 +40
Borne Mines	17Va 4.2	+ 2/2 + 8.05	UZITEY	100	-0.5 +2 -17	West Utr Bank		+1,2	News Nicholas Kiwi	10.5	1	Orient Leaving 2,24 Ploned	90 -30 60 +40
Dominion Strs	16 Vz 30%	+ 1/8	Oumez Eaux (Cie Gen) Elf-Aquitaino	100.5	-5			<u> </u>	United Bloom 1879	2 13	-0.01	Ricolamora I. 1	20
Falconbridge	72 3034	-2 +3/8	Gen. Occidental.	564	 ō				Otter Expl	0.55		Sanvo Elect	67
Giant Ylatife	2342	- 45	imetal Lafarge Coppee. L'oreal	279.5 2,100	+4.5	NORWAY			Ploneer Conc	1.11	-0.07 +0.05	Carley Pratel	90 : +20
Guff Canada	1644 15V2	+ ½ + ¾	L'oreal	807	-1 ₄	Dec. 21		+ or	Reckitt & Cold	1.27	-0.02	Seven Eleven	
Hedson's Bay	247/s 189/4	+ 3/2	Michelin B	787	+19		Kroner		Santos 5mith (H.)	4.2 0.25	-0.06	Shietido	48 -1 60 +30
Imp DB A	35 Va 3534	- 14 + 14	Moutinessy	100	+45 +45 +0.1	Bergens Bank Borregaard	145 127.6 141	+5.5	Sparges Expl These Hatwide	0.4	+0.1	Brown 5.5	70 +130 10 +10
inco	18% 12%	+ 144	Moulinex Nord Est Pernod Ricard	48 745	+1	Christiania Bk Den Norsk Credit	155	+4 +2,5	UMAL CORS			Stomo Marine 2	
LAC Minerals	34	+ 1%	Perrior Petroles PB	436.3 157		Horsk Data Norsk Hydro	250 485	+1	Yamgas	5,5			55 + 5 63 + 5 80 + 3
Marini Bloodel	291/2 15%	- 1/4	Pougeot-SA	53	0.3 5	Storebrand	175	+1	Westpac	3.86 1.15	-0.51 -0.85	Talelio Pharm B	19 +9 26 +18
Massay Ferg	67% 351/2	- 3/4	Radiotech	400	-5.5 -14.5				Woolworths Wormaid (httl	D, 72	+0.05	TDK	70 -30
Mitel	17% 53%	+ 3/2 :	Roussel-Unief.	53B ·	-14 +14	SPAIN						Telkoku Oil 7	70 + 15 40 + 20
Mat. Sea Prods A	7%s	- 1	Schneißer	85,6. 255		Dec. 51	Price Ptax	+ 01	HONG KONG			Tokyo Elect Pwr. 1,01	70 20 +10
Noranda Mines , Nomec Dii	25% 13	+ 1/4	Tolemech Elect. Thompson (CSF)	1,589 1,589	+48	Boo Olibso						Tokyo Gas	30 ; +2 78 ; -5
Mora Alberta	6% 51%	+ 1/2	Valeo	500		Boo Central	201	-2	Gec. 21	H.K.	+ or	Tokyu Cons	10 +11
Pancanolin Pet	7¾ 25	+ 5/3	GERMANY			Bco Exterior Bco Hispano Bco Santander	009	+5	Bank East Asia	19.5			11 +2
Pating	6 2334	+ 14	Dec. 51	Price Dm.	+ or	Gragados.	109	+5	Chrian Invest Choung Kong China Light	7,25	+0.05	IUIV sandam planten. De	806
Power Corp Can Guebec Stargeen	19 ⁴ /s	- 46	AEG-Tolof	76,2	-0.7	Hiorela	48	-0,5	Hang Seng Bank	57.47		Toyo Selkan 65 Toyota Motor 1,45 Victor 3.0	
Ranger Oil	14% 12%	+ 1/8	BARF	167,8	-5 +0.8	Petroleos Tolofonica			HK Kowloon Wh.	5.6		Toyota Motor I. 40 Victor 3,07 Waccal	55 -5
Rio Algon	185/s 3474	- % + Vs	Bayer-Hypo	281	+9.7				HK Land HK Shanghai Bk. HK Telephone	2.62		Yamanouchi 1,55 Yamasaki 75	0 +40
Regal 7 restra A	2874	- V4	Bayor-Verein	311 575 422	+2.8 +1.3	SWEDEN		1	Hutchison Wos	53.5 14.1 10.2	-0.8	Yamasaki	7 -3
Seegram	45V2	+ 3/4	BAW Brown Boveri Commerzbank	257	+0.1	Dec. 51	Price Kronor	+or	Jardine Math New World Dev Orient O'seas	- 8 60	-0.82	SINGAPORE	
Shell Can Oil	23% 30%	+ 1/4	Conti 9 ummi	118.8 249xr	+1,8	AGA	840	Pr. 2011	O'seas Trust Bk SKH Props	4.7	-0.63		
Tech 2	103/a 40	+ 1/2	Occuses	372	6	Astra (Free)	275 410 590	+2	Swire Pag A	14 87	-0.5 0.08	Dec. 81 Pri	co + or
Thomson News A Tomata Dom Bank	38V2	+ 1/4	D'sche Baboock Ceutsche Bank	63 U.SI	+6.7	Atlas Copco	114	+1	Wheel'k M'time World Int. Holdge	1.75	paragras.	Bounteed Stid 9.6 Cold Storage 5.1	
Transacta A	211/2	Ţ	Oresdner Bank! GHH Hochtief	170,6 143.6 470	+1.5	Cardo Cellulosa (Free)	346	+5				France & Homes 5.0	56
Walker Hicker	31¼ 28¼	+ 74	Hoesch Werke	172	+10 +1 +3.5	Flactrolly B	245 ı	+6	JAPAN	·		Haw Par	LG0.01
Western (See)	154 6 63	+ 3/6	HolzmanniP)	486.5 125	+2.3	Ericason Esseite Free! Mo Och Domsja.	390 i	+9 +9	Dec. 21	Price	+ 01	Keppel Shipyard 8.4	HB →0.04
AUCTO			Kall und Salz' Karstadt	206	+2.5	Pharmacia(Free)	98 3 ₁	+15		Yen		Maley Stew C. B	1
AUSTRIA		i	KAUTHOT	287	+1	Sandvik B (Free) Skandie Skan Enskilde	475 295	+3	Alps Electric	P.550	-12 -70	OCBC 11.	.7 [-0.1
Dec, 51	Price Sch%			020	-2.6	eKF B	191 .	‡ 1	Amada Illianosali Anahi Chem	980 407		Straits Streeting 1.8	F
Creditanstalt	506	<u> </u>	Lufthansa	390 146.5 184,6	+2,5	Sven Handelsbn . Swedish Match	262	+7	Bridgeston	733 630 550	+11	UOB	: -0,15
Goasser	318	********	Малпентапп	134 6	+1.5	Volvo & (Free)	435	+3	Casio Comp		60 .		
Perimoder Steyr Daimler	308	_5 _1	Mercades Hid Matzilgesell Musuch Rucck 1	830	+5	· · · · ·		-	Citizen	575	+16	SOUTH AFRICA	a.l
Veitscher Mag	218	+1	Proussas	272 ı	+3	SWITZERLAND			Citizen	501	+9	Dec. 21 Pric	
BELGIUM/LUX	EMBOL	1927-	Rhein West Elect Rosenthal Schering	280 359.2	+7.5	Dec. 91	Prive :	4 or	Fire	240	3 1 20 *	Abertoom	80
Dec. 51	Price		Thysson	80	+0.6		Fre.		Fantamental	500	+40	Anglo Am Cost 24.	D +0.5
	Fra.		VODA	174 167,9	-0.8	Alusuisse	838 4,260.	-	Fujitawa manana Fujitawa manana Fujitau	272	+11 -80	Beroleys Bank 13.	X 5
Bang Int A Lux	4 MAL		Verein-Westi	309	+1.6	Ciba Geigy do. (Part Certs).	2.370	+20	Oreen Cross	1.630	+20	Buffals contained 56.	5 -0.25
Ciment BR	2,050		Yolkswagen	307,3		Credit Sulsso	1,920 3,260 3,810	+50. +10	Hasegawa	414 606 781	+18	CNA Galib	A
Cockerill	4,900	+2	ITALY		+ [Elektrowatt Fischer (0 co.) Genevolse	235: 3,800	+10	Hitachi Grédit	.240		Driefontein	+0.85
Electrobel	5,420r	-40		Price :	or	Hoff-RochePtCts Hoff-Roche 1:10.	198,260.	+378	Honde Food	850 550		Ook Fields S.A 24	75 +0.5
GB inno BM	5,255,	+50	Renca Com'le 2	5 750		Jacobs Suchard.	1,940	+22	Ito Yakado	770	-30	Hedbank	781
GBL (Brux) Gevaert	0000	+15	Bastogi-IRBS Centrale Credite Varesino	1,270	+8.6	Landis & Gyr	1,010 4,556		JACOS		-30	OK Bezears 21 Protok Hidgs 3, Rembrant 22,	5
Intercom Kredletbank	1,920xr	-10 1	Fiat	0,885	156	Oer-Buehrie Pirelli		+40	JURGO	OTA !	+50	Restenburg	25. 40. +0.55
Pan Hibgs	2,020;		Conerale (Assiet: 1	38 85D	+60	Sandoz (PtGts)	7,350. 1,135	+25	Kajima	661	-11	SARGE MIGGS	50
Soc. Gen. Bang	3.000	+ 20 F	nvest talcementi5 Monledison	2 TO	+550	Schindler (PtCta)	460 270	+10	Kirin	272 515 822		Smith (C.G) 24. Tongast Huletts, 10.	25 +9.26
Scrina	1,680 5,310	15 16	011vett)	5.B11.	-32 1	Rwies Rainsca	7.900	+1+23	Kokuyo Komatsu	545	io	Unisac 5.	1
Tractionel	5,300 3,450	+13	Pirelli Co Pirelli 2pa Snie BPD	1,489 1,220	+11	Union Bank	1,440 3,479 5,850	+10	NOTES - Price	es on	this	page are de quoted	on the
Vielle Mont	4,100 5,350	+60	do. Pref	1,800	+201	Winlerthur Zurich Ins,	2,100	-32	undividual acclians suspended ad E	c qivida	nd. x	st traded prices	i Dealloge fic rights.
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Vieille	Mon	t	4,100 5,350	+60	Tore do.	Assia Pref	j'	1,800 8,120	+301 +30	Winter Zurich	thur 109,	.; 12,10Ci 2 s	ndividual uspender a Ex ali,	d_ xd	enges Ex di	vidend.	o fast	raded z scrip	leave.	S Dealings
					ne	lic	es						1	Dec.	Dec.	Dec.	Dec.	an,	gh 1	963 Low
NE	W '	YOF	RK-o									AUSTRALIA Ail Ord. (1/1/80) Motals & Minis.	1/1/80)	758.3 548.3	757,9 548,4	755.7 544.9	756.9 549.2	758,1 614,2	(27/72) (6 /8)	487,3 (4-1) 411,8 (4:1)
	T	Dec	-	Dec	Dec	Dec	Dec		983	Since (Compilar e	AUSTRIA			EE 01	55,78	1 44 25		W 61	
		21	Dec 20	16	12	15	14	High	Law	High	Low	Cre5it Aiktien (2	· 1/02) !	55.78	55,91	93,08	64.62	50.5	(6/6)	48 48 (16/2
Industri	als 1	254.98	1241,87	1244.8	1 1242.1	1236.7	1245.6	1287.2 (29/11)	174,35	1287.2 (28/11/63		BELGIUM Balgian SE (81/12	(65)	155,15	184.79	134,48	188,67	185, 70	(21,12)	380,59 (4:1)
Transp	ort	596.78	591.09	590.9	590.18	585.78	594.25	812.57 (22/11)	434.24	812.57 (22/11/83		0 ENMARK Copenhagen SE	(6/1/85)	204,44	209,28	200,58	199,25	204,44	(21/12)	1 190,00 (8/
Utilitie	- [130.78	130.54				148.7	119.44 (3/1)	163.32 20/4/58		FRANCE CAC General (51) Ind Tendance (8		149.7 160,5	149,2 158,8	145.1 159.5	142 9 169,1		(15/12) (16/12)	98.1 (3/1) 1 88.5 (3/1)
Trading 10000	**	10388	8374	7518	8103	8630	8542	-	Ŀ	} -	Ŀ	GERMANY FAZ-Aktien (5) 11 Commerzbank (2/88) 1/12/88)	548,28 7024.8	545.25 1027 \$	344.13 2818.5	340.91 1007.5	548. 1021.	(2/12) (2/18)	241.88 (95/1) 727.3 (26/1
				⊢	Dec 2	-1-	ec 2	Nor 2	_	(Year Ago		HONG KONG	1	 -				•	_	**
ind dir yi	#				4.47	^	.45	4.40	,	5.3	<u></u>	Hang Seng Bank	1817184)	857,58	858,838	267.26	250_77	1701.54	(21/1)	\$30.86 (4)1
STANEA	STANBARD AND PORRS							Compiler's	TALY Sanca Comm Hz	u. (1978)	188,66	100.54	188,42	187.86	214.00	(E)	380.45 (38.1			
		Bec 21	25	Bec 18	Bec 16	Dec 15	Dec -	High	LOW	High	Low	JAPAN** Hikkei-Dow (18/5	1690	4717 85	9897.81	9484. TZ	9839 41	9717 R	(21/12)	7806,18 (26/
lodust	nials	184.2				181.84		193.22	154.95	193.22		Tokyo BE New (701,2			(2012)	
Compo		163.5			162.38			(72/q 178.99 72/5	138.34 138.34	170.90 125/13	4.4	NETHERLANDS ANP-CBS Genera AHP-CBS Indust	ut (1970) (1870)	148,4 122,8	147.8 128.2	147.7 122.7	147.1 111.8		(13.12) (20/12)	180.1 (4/1) 88,5 (4/1)
_	_				Dec 14		w 36	Nov 2		Year Agol		NORWAY Oslo SE (4/1/88)	. !	214,86	815,8	519.10	812,11	1.74	(10/10)	89.01 (4/N
had div yo					3.78	_	72 4.43	3.97		4.7	-	SINGAPORE	- i							1
Long Gos					11.55	-	1.49	11.4	- 1	18.4 10.5		Straits Times (16	(SE)	851,83	385,74	382,51	955.41	360, 62	(26/6)	317.23 (5/7)
NLY.S.E	_								S AND F			SOUTH AFRICA Gold (1958) Industrial (1954)		1u) (u)	848,3 837,9	954.7 956.6	(c)	1098.7		81.4 (1(11) 704.5 (5(1)
Box	Dec	Bec	Dec		1983				Boc 21	Per 28	Bec 19	5PAIH Madri5 SE (31/12				. 2	115.48	10n 44	rie in	. 38.88 (11/1
21	20	13	16	(Sign	(co		rats trade		2627	2866	2833	}		110,14	118.2	161	1 13,40	120,19	- Per II) . Series (1111-4
-	-	-	-	442.5 (8/5)		Ri Fe	its its		947 655 438	686 935 425	73£ 884	Jacobson & P. 13	1768)	145(,77	1443,\$	1446.64	1475.44	1520.82	(2 1/12)	885.18 (8/1)
MONTRE	AL	_	1	-	T_			-Pr4		1983		SWITZERLAND SwissBankC pn,	81/12/58)	675.7	572.5	6,175	671.8	576.7	HE TRY	204,4 (4/1)
				Dec 21	20	Dec 18	0ec 16	H	ligh	-	Low	WORLD Gapital Intl. (1/1)	78)		179,2	178,7	173.0	186.8	(10/10)	154.3 (6/1)
	Industrials 442.45 437.59 438.87 448.87 483.885.55 238.1824.78 Combined 425.99 421.83 421.47 423.48 441.28(28/3) 314.45/5																			
TORONTO				2537.7	2511.5	2501.7	258.7	_	2/26/5	_	8.8(4/1)	500. NYSE AII	r eli ind Commoi	100 (Stand	AXCOP ard an	Austr d Poor	#45 A(1	nd Tor	T end notice t
U.S. 1900	CES:	C10530	G WALEE	s. Yesti	REAY'S	CANADIA	N MORES			_		last named base plus 40 Utilities	ed on 19 L 40 Fis	75. † 8 aanciai	xeludi a and	ng bon 20 Tra	ds. ‡4 hepoti	L CCO	pod. u	Upaveilable.

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MARKET REPORT

Equities penetrate further into uncharted territory

hullotin from the Bank of England declaring that the UK economy is now among the world leaders helped London equity markets to continue their record-hreaking run ahead of the Christmas holiday. Seasonal influences session and one corner or the market escaping the inhibitions was the Financiel sector. Government stocks, little changed for most of the day, perked up late to close on a firm note on interest rate hopes.

Ances, Brokers rallied after Tuesday's easiness on Minet's latest results; Minet recovered 3 to 141p. Stewart Wrightson 7 to 290p and C. E. Heath 6 to 324p. interest rate hopes.

The early announrement that a Middle East consortium was of speculative activity in the financial sector generally.

EQUITY GROUPS

& SUB-SECTIONS

CAPITAL COORS (203) ... Building Materials (24)

Activity in Londoo remained at a low level but sporadic local sand Johannesburg huving interest and continuing stock shoringe prompted widespread gains throughout the list tense with Hill Samuel up 16 st 325p, Schroders 50 higher at 790p and the recently-merged Chartering. A mildly optimistic quarterly hulletin from \$3.00 am two business deeps artiser.

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FINANCIAL TIMES STOCK INDICES

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Buillon closed a net 50 centure interim profits brought Sterling higher at \$3.78.375 an ounce at \$3.00 am two business deeps artiser.

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mas holiday. Seasonal influences The Takeover Panel statement continued to limit the volume of on the Eagle Star situation The Takeover Panel statement husiness hut a firm undertone had no affect on the latter's was maintained throughout the share price which closed 8 session and one corner of the np at 730p. Elsewhere in Insur-

Henara mada e surprisingly disappointing market debut; the bidding up to 3959 per share for up to 10 per cent of Kleinwort
Benson prompted a jump of 53 in the latter's share price to 420p and sparked off 8 further wave of speculative activity in the 5n. Unlisted Securities Market was

of speculative activity in the financial sector geoerally.

Old hid favourites such as Hill Samuel and Schroders were particularly favoured, while Discount Houses were also caught up in the huoyancy. Royal Bank of Scotland, up sharply on Tuesday following the announcement that Lloyds Bank had increased its stake in the group to 21.3 percent, moved up further on increasing hopes of a full-scale offer; Bank of Scotland rose in sympsthy.

Blue chip industrials moved narrowly in thin trading but, with the henefit of a strong start on Wall Street yesterday, the Financial Times Industrial Ordinary share index closed at its best of the day with a rise of 22 for an advance over the last six trading sessions of 21.4 to snew all-time peak of 772.0.

Unlisted Securities Market was also uninspiring; after opening at 85p, well below the subscription price of 100p, the subscription price of 100p, the shares responded to after-hours support and settled only 3 cheaper on balance at 345p. Regionals were irregular. Hopse of further overtures from the Virani Group, which currently condrols around 24 per cent of the equity, lifted Belhaven 3 to 33p, but Wolverhampton and Dudley remained on offer and fell 4 to a 1983 low of 218p.

Concern about Belfast-hased White Mountains Quarries' plan to import West German cement

22 for an advance over the last six trading sessions of 21.4 to new all-time peak of 772.0.

U.S. Treasury Secretary Donald Regan's reported prediction that U.S. interest rates should decline next year belped to revive flagging Government securities. Earlier, quotations had generally held overnight levels although some longer-dated stocks bad ventured; shiper in sympathy with ster-line's improvement yesteriaded to 420p, while RMC fining improvement yesteriaded to 420p, while Amplitude of the fining alto the hallower on balance at 95t. Elsewhere in the week on talks of a share the week on talks changing hads, attracted to tend to mode and to introduce the week on talks of a share the week on talks changing hads, attracted to the week on talks of a share the week on talks of a share the week on talks of a share the week

FT-ACTUARIES SHARE INDICES

These ludices are the joint compilation of the Financial Times, the Institute of Actuaries

and the Faculty of Actuaries

Wed Dec 21 1983

9.14 10.96 14.11 8.40 12.81

Gross Div. Yield % (ACT at 30%)

3.85 4.69 5.26 6.17 5.36 6.49 4.44 3.76 4.37 5.27 5.40 2.67 3.68 4.79 4.55 3.68 4.79 4.70 5.52

Est. P/E Ratio (Net)

11.37 8.85 15.64 9.96 19.91 13.88

Tues Dec 20

462,92 446,15 663,60 1649,38

Mon Dec 19

Pri Dec 16

461.68 447.48 662.57 3637.49

Ther Dec 15

Index No.

425.19 397.18 729.55

328.78 537.65 675.96 657.29 627.95 139.55 377.87

19.12 11.14 19.85 18.23 9.79

11.60 11.60 21.60

9.75

11.59 11.60

11.56 11.56 11.14

19.48

12.46

12.46

	21	20	llec.	16 16	16	14 14	ago year
Oovernment Secs	82.e3	22.70,	83,64	82.34	26,26.	82.30	80.11
Fixed interest	86,05	65,96	85.96	85.86	85,81	85,63	01.45
Industrial Ord	772,0	752,8	726.1	759,3	752.2	751.1	563,4
Rold Mines	580,1	070,1	558,2	668.0	570,5	377,0	069.7
Ord. Iliv. Yield	4.59	4,39	4.02	4,23	4.55	4.65	0,05
Earnings, Yid.% ifulli	9,35	9.37,	9.43	e.45	e,51	e.53	10,21
PrE Ratio (netr 1º1	13.05	16,02	12,94	12,22	12,63	12,81	11,00
Total bargains	e0,00s	e1,120	19,280	26,411	16,828	12,982	15,534
Equity turnover £m.	_	211,59	170.68	225,85	203,88	189,00	139.7
Equity bargains	_	15,648	16,084	15,547	16,430	16,413	13,01B
Shares traded imi:	_	166.3.	124.5	144,9	150.0	109.7	104,1
10 em 769.					1.00	··: 770 7	- ··- -

em 769.1. I1 em 7/0.7. Neen 7/0.9. 1 pm //u 2 pm 770.5. 2 pm 770.7, tesie 100 Cevt. Sece. 12/1/28. Fixed Int. 1928. Industrial 1/7/35. Minoo 12/1/58. SE Activity 1974. Latest Index 01-246 8026 NII - 12.26.

HIG	ihs /	ND I	LOWS		S.E. ACT	IVITY	
	1	e23	Siece Co	mpila1'n		noc.	Dec. 16
ſ	Hieh	Low	HIBh	Low	<u> </u>		16
Govt, Secs Fixed In1	83.70 (11/11, 86.41	77,00 (24:1) 79,03	127,4 (8/1/65) 160.4	50,63	Dally Gift Edged Bargains Equities Bargaies	13B.7 101.4	104.2
Ind. Ord	(7/12) 772,0 (21/12)	(1/2) 592,4 (12/1)	(26/11/47) 772.0 (21/12/85)	49.4 (28/6.40)	Value 5-day Avrge Oilt Edged Bargains	152.5	345,0 157,2
Cold Mines.	754.7 (15/2)	.444.6 (1/11)	734.7 (15/2/88)	43.5 (26/10 ₁ 71 ₎	Equities	102.3 420.7	103.6 447.2

Millmaster of the U.S. for P.Jm to 305p. AB Electronic revived cash. Against the trend, scat-tered selling clipped 3 from Croda International to 92p.

Frasers good again Activity among major Retailers

was simost entirely centred on House of Fraser which, having been a firm market earlier in the week on talks of a share

Royal Bank of Scotland rising attracted late interest and firmed that Lloyds Bank would increase that Lloyds Bank would increase that Lloyds Bank would increase that Loyds Bank would increase the stake. Bank of Scotland moved up 30 to 725p in sympathy, Speculation among Merchant banks was in-

with a gain of 20 to 390p, while United Scientific rallied 7 further to 330p. Unitech closed similarly higher at 237p and BSR edged up a couple of pence to a peak for the year of 195p. Renewed demand left Electronic Machine, up 4 further at 257p.

Machine up 4 further at 62p. Leading Engineers passed a relatively lively session, although quotations ended little changed. Vickers, still reflecting the Rolls-Royce Diesels sale, improved 3 more to 130p. Elsewhere, Simon featured with a further gain of 15 to 2020 Cuite according to the contract of the contrac

a penny on at rp. Congate cased to 114p before settling a penny cheaper on balancs at 116p, but Northern Foods found support and bardened 4 to 186p. Elsewhere, Needlers continued to reflect tekeover hopes and firmed 2 more to 84p. 2 more to 64p.

Bowater firm

Leading Miscellaneous Industrials moved narrowly either way with Bowater the best performer at 255p, up 5. BOC International, in contrast, eased 4 to 282p. Recovery hopes stimuleted support of Turner and Newall, 4 support of Turner and Newall, 4 better ot 74n, while e broker's "buy" advice lifted Granads "A" 10 to 188p. Sporadic institutional demand counled with other interest raised S. Pearson 7 to 3950, Smiths Industries continued to he popular and rose 8 to 4780, while British Aerospace moved up 4 to 225p following news of the Swiss computer con-tract.

Lesser-known stocks presented fresh features which included Haima, up 8 more et 148p in further response to impressive first-half results. Low and Boner gained 6 to 140p, but Righgate Optical fell 6 to 73p on the heavier mid-term loss. Lower interim profits brought Sterling Industries hack sharply to 103p, down 13, while Nolion, et 50p, shed 10 of Tuesday's jump of 20j. Polly Peck turned reactionary after the share split and £5m share placing proposals to close i cheaper at £27j, after £28j; the associated Cornell 201pped 7 to 228p. Kelsey Industries gave up 5 late to 195p following the samual results.

Angliz TV "A" firmed 4 to 8

Angliz TV "A" firmed 4 to a 1983 peak of 149p; the preliminary results are due on January 18. The acquisition of Mackworth Billiards (Walos) end Billiards and Snooker (Wales) for f1.14m left Riloy Lelsure 5 lower at 144p, but speculative support lifted Joseph Wehh 2; to

Elsewhere in the sector, Sf Helena were prominent with a £1½ improvoment et £24½ while Unisel rose 34 to 985p.

South African Finencials gained ground acrosz a broad front—Anglo American Corporation rose 1 to £151. De Beers 6 to 518p. Geneor 1 to £161, and "Johnnies" 1 to £771 — but London issues drifted lower in quiet trading

The renewed strength in Golds stimulated support for Plats-nums in which rises of around 20

were seen in Impala, 930p, and Rusienburg, 760p.

Goldz provided outstandion features in otherwise dull Australians. Whim Creek raced chead to close 14 stronger at 188p and Kitchener jumped 8 to 80p. Peko-Wallsend were a lone form of the control of th

firm spot among the leaders in moving up 14 10 370p.

Elsewhere, Tanjong Tin res

ponded to heavy speculative huying and jumped 68 to 213p

while the South African anti-mony/gold producer Consoli-dated Murchison rose 30 to a

1983 high of 750p on cootinued persisteot support from Johan

After a relatively subdued morning session, demand for Traded Options improved

sharply during the afternoon and total contracts struck amounted

to 3.283. GKN were again to the fore with 483 calls transacted, 260 in the December 175's and 208 in the March 180's, Notable

premium gains were generally restricted to Oils. BP January 390 calls rose 6 to 18n, while Lasmo February 260 calls advanced 13 to 30p, with the 250 calls 7 better at 17p. GEC attracted 311 ruts with 150 done

attracted 311 puts with 150 done

Deal- Deal- Declara- Settle-ings ings tion ment

Haven, Andiotropic, BSR, Ramar Textile, Brudswick Oil,

RISES AND FALLS

in the January 200's.

First Last Last

OPTIONS

quiet trading.

nesburg.

Traded

Op.
Truck manufacturers E.R.F. odvanced 5 to 48p following the interim profits recovery—the first time that the company has been lo the black at the mid-term since 1979. Elsewhere in selectively firm Motor sectors, Lucas continued to respond to and added 3 at 170p, after 171p, while a newsletter recommendation stimulated call option activity in AE which rose 3 to a 1983 high of 67p. Firm spots in Distributors included Lex Sorvire, 9 better at 380p, and British Car Anction, 7 dearer at 229n.

Selected Properties attracted revived institutional demend and revived institutional demend ond MEPC were prominent at 265p, up 11 with Land Securities rising 8 to 266p. Elsewhere, Clarke Nickolls put on 3 for 8 three-day gain of 12 to a peak of 13Tp. Trust Securities, at 56o, regained the previous dav's fall of 4 that stemmed from the poor half-year figures and estimated loss for the year of £7.1m. year of £7.1m.

Textiles featured revived speculative activity in Harold Ingram which spurred 40 to 260n in a restricted market. A generally guarded Press reaction to the interim statement clipped a couple of pence from Stoddard "A" at 15p.
Trusts closed with fairly wide-

spread gains. Among Financials, Robert Kitchen Taylor touched 188p oo the iocreased anoual profits before settling only a penny firmer on balance at 181p. Centreway improved 5 more to 240p and Hambro Trust ended a like amouot higher at 125p.

Oil sbares, a particularly subdued area for some time, staged a welcome rally, Shell advanced 11 to 559p and similar gains were recorded to Britoil, 192p, and Tricentrol, 181o. BP put oo 7 to 395p, while Ultramar closed 16 to the good at 613p. Severelgue closed 15 up at 215p following the announcement of a credit agreement with the Canadian agreement with the Canadian agreement with the Canadian Imperial Bank to finance the purchase of a 0.5 per cent interest in the Forties Field; the company also announced yesterday the abandonoient of drilling on well \$/10A-6. Premier responded to news of an oil strike with a real of 4 to 450 after 5th. gain of 4 to 48p, after 50p.

gain of 4 to 48p, after 50p.

Plantations beld steady-to-firm.

Knela Lumpur Kepong edded 3
at 192p following the full-year
results. Malakoff hardened a like
amount to 119p, while Inch Kenneth closed 10 to the good at
413p. Harrisons Malaysian
stayed at 158p, the lower interim
profits heing balenced by the
optimism on second-half trading.

Among Teas, Moran were again
excited by the Arthur Bartfeld
Group's 10 per cent stake and
improved 15 for a two-day gain
of 25 et 380p.

Golds up again

South African Golds extended their recent recovery movement to a third day following another firm performance by both bullion and gold shares in overnight U.S.

EUROPEAN OPTIONS EXCHANGE 26,50 5 8 5 105 18 ---24 8 90 | 1uno 4 | 4 | 150 | 5 1,30 26,70 21,80 12 3,80 0.80 A 1,10 0,20 8 2,10 0.50 16 F.372 - F.81.5 F.81,50 17,80 10.50 6.20 B 20 27 6 5.20 n F.61^{",}40 ** ** 6 / 3.50 3 9.10 - | - | 16 | 8.50 10 | 4.50 11 | 6.90 01 | 4.40 - | - | 5 | 2.50 5 | 2.50 62 | 16.50 1.70 1.20 3.8 1.2 6.20 3.20 1.20 1.20 2.2 1.0,90 F.162 F.194.80 6 949 30 82 15 191 29 23 105 101 5.50 1.30 0.30 3.20 1.10 0.30 1.4 3.80 F,192,60 4 6.20 7.50 32 7.50 32 7.40 32 1.50 58 24 86 42 314 128 54 70 110 3.50 7.50 7.50 7.50 3.40 1.50 1.30 A 7.50 8 F.193.50 7.40 F.44.40 4.50 : 9.40 9.40 : 9.40 2 : 9.40 : 9.40 7.50 : F.133.80 F.133.B0 181 166 262 48 619 70 13 25 3.30 8.70 17 6 RD C RD P RD P RD P UNIL C UNIL O UNIL P 5.50 250,30 Feb. 25 | 0.20 ! TOTAL VOLUME IN CONTRACTS: 14,784 A=Ask C=Call

EQUITIES

RECENT ISSUES -

Aspinoli Hidge 10 p. 130

Brit Petroleum 166
Gabis & Wiroloss 50 p 107
Charterhouse J. Roin 155
Oo. Warusets 50
Datacorvice. 5c

Federaled Houg 5p

Fringas 10p. 63
Heenro 10p

Hill Poet 5ov. 10p 138
Hill Resider 137
Kenyon Zecurites 177 Bullion closed a net 50 cents higher at \$378.375 an ounce while the Gold Mines index advanced 10.0 for a three-day gain of 22.1 to 580.1. 136 F.P. — 177 158

150 F.P. — 155 135

40 F.P. — 41 39

:86 F.P. 15:1 101 93

:86 F.P. 15:1 209 e15

490 F.P. 15:1 209 e15

490 F.P. — 35 34

;140 F.P. — 63 146

:225; F.P. 5:1 32 e7

100 F.P. — 20 25

:80 F.P. 15:1 93 91

(135 F.P. — 140 135

**150 F.P. — 135 131

**110 F.P. — 135 131 The recent dividends en-nounced by the mines in the "Johnnies" continued to en-courage support for Randfontein, furrage support for Randforten.

§ firmer at £973. Elsburg, 7 to
the good at £53p, 2nd Westero
Areas, another 10 better at 397p.
while President Brand rose £1;
to £23 and President Steyn £1;
to £31; following eocouraging
annual statements.

FIXED INTEREST STOCKS

issuo Price	Amount paid up	enuno.	i9	83	Slock	Closing price 4:	:+_•
	24	72	High	Low		34	ı
99.15 100 69.7162 1000 	F.P. £30 £10 F.P. F.P. F.P. £25 £30 F.P.	2;1 e:2 - 5;1 27;1 96;4 23;1 2;12;10;11 - -	102 101: 182 253, 103 117p 81 395; 29:4	1014- 116 945- 101 960 30 25 100p 22/- 100p 22/- 299 (22/- 299 (22/- 29) (22	Bristol Waterworks 5.5°. Red. Pri. 1388 Coleo Volley Waler 53. Red. Pri. 90. Crystalsis 814°. Cev. Ln. 2005. Eff 10.K.* 12 4°. Uns. Le. 91. External lev. 6°. Cev. Ln. 2003.08. Fisher 1A.1 73°. Chv. Pri. Ln. 2007. Int. 8K. for Red. & Bov. 11.5°. Ln. 2003. Ireland 194°. 9008. LA2MO 836°. Cum Red Pref. Lon. Shop Prop. 200 Chv. 94°. 99 Ser II. Mid Keet Wir. 12 pc. Red Oco. 1993. Mallonwido 10.5°. Bds. 210 84°. Do. 104°. Bds. 5°11.24°. Do. 104°. Bds. 5°11.24°.	102 122 103 117p 117p 2014 144 12 11 185pm 44 12 11 1991 1001 2514 30 102	

"RIGHTS" OFFERS

345 F.P. -	Issuo	Issue Price Est Ronunc.		nunc.	19	63	2tock	Closing	r
62 F.P. - 13/1 71 66 Charterhol, 6p 62 100 F.P. - 16/12 125 116 Heywood Williame 125 125 125 F.P. 30/19 37 98 Manson Fin. 10p 57 300 Ni -	Prico	PR	•	-	High	Low			_
	62 100 25 300 25 65 CS1458	F.P. F.P. F.P. F.P.		13/1 16:12 30/19 16/12 16/1	46 71 123 37 50pm 103 14pm 107	31 66 116 98 35pm 28 80 10pm 90	Barget. Charterhol. 5p Heywood Williamo Manson Fin, 10p Manson Fin, 10p PMcCarthy & Stone 20p Phicom 10p Phicom 10p Toronto Dom. 2k, Ward While	35 62 123 37 35pm 30 100 10pm.—	-1

Dec 19 Jan 6 Mar 22 April 2
Jan 9 Jan 20 April 2 April 16
Jan 23 Feb 3 April 26 May 8
Above average activity was no Jan 23 Feb 3 April 26 May 8
Por rate indications see end of the tellowing slocks yeaterday.

Share Information Service. Share Information Service. Call options were transacted in Metal Sciences, Yelverton, Polly Peck, London and Liver-pool, Fleet Holdings, Celtic Hambres
Houss el Fraser
Kleinwort Bensoe
Dxford Instruments
Premier Consolideted
Reyal Benk of Scetland
Semon Enginosring

Ramar Textile, Brudswick Oil, UKO, Amber Day, Five Oaks Investments, Sonnd Diffnsion, AE, Whithread "A" and Delta. No puts were reported, but doubles were taken out in Turner and Newall and Gestel-TUESDAY'S **ACTIVE STOCKS** Based on bargains recorded Exchange Official List.

No. of Tues.
510ck chaeges close Royal Bk. Scol. 28 202
Saxon Oil 15 245
2AT Industries 14 168

ESTERDA	Y			Royal Bt. Scot
ish Funds	Rises 80	Falle 1	Same 20	Saxon Oil 2AT Industrie 5hell Transpoil Bio-Isolates
oraign Bonds	12 280	177	64 944	2rii. Aerospac Con. Gold Fds
ncial & Prop	244 29	33 18	242 71	Eaple Ster
rtations	3 58	4 22	10 88	Vickers
)rs	60	71	57	2secham Sowelar
le	760	720	4 400	Clave

NEW HIGHS AND **LOWS FOR 1983**

BRITISH FUNDS (2) AMERICANS (3) CANADIANS (2) BANKS (121 BUILDINGS (2) BUILDINGS 121 CHEMICALE 141 STORES 15) ELECTRICALE (6) ENGINEERING (5) FOODS (61 INOUSTRIALS (13)

NEW LOWS (8) BREWERS (2) Billipings (2)
Crouch Group

Nova (Jersey) Knil Anglo Utd. Dev.

3	Contracting, Con					U.B	340.		3.30	8.80	003.00	90G.7			
4	Electricals (38)				100	Ξ.		40	2.40	15.68	1640.38				
5	Engineering, Cor					12	12/		6.17	9.96	417.81	4423			
6	Mechanical Engl			211		6.5	23.3		5.33	19.91	216.92	208.0			1933
	Metats and Meta	l Formin	g (9)	175		•••	9.4		6.69	13.88	175.26	173.5		170.11	144.6
9	Motors (17)			122		15	1 24		4.44	1 -	120.27	118 9	8 1182	118.31	75.9
30	Other Industrial	Material	(AE) a	5999		_	5.3		3.76	25.01	598.87	599.4	693.67	603.84	359.1
21	CONSUMER CA	OUP (1	97)	460	70 +	8.3	203		4.34	11.79	459,41	455.7	7 453.84	453.50	
22	Brewers and Dist	Mers CZ	3)				23.	19	5.27	9.44	445.65	443.3	8 439.24	441.11	
25	Food Manufactur	ino (22)		364	.50 +	0.4	12.7	74	5.60	9.27	363.89	358.5	5 357.44	358.0	
26	Food Retailing C				.85 +	8.1	7.4	64	2.67	16.80	1057.23	1053.	59 1041.3	1 1041.7	
27	Henith and House	bold Pro	ochicts (9)	_ 726	36 -	0.1	6.4		3.03	18.13	726.86	722.9			
29	Leisure (23)				45 +	0.7	8.3	53	4.49	25.50	603.96	599.0			
32	Newspapers, Pub	dishine (15)	1059	62 +	1.0	8.7	20	4.51	14.65	1049.10				
33	Packaging and Pa				.62 +	8.3	20.5	97	4.65	11.34	217.86	215.9			
34	Stores (47)				20 +	0.6	7.5		3.60	17.09	427.37	427.9			
35	Textiles (20)					0.1	22.9		4.70	9.72	252.47	295.9			
36	Tobaccos (3)			_,		8.2	20.2		6.52	5.52	429.29	466.9			
39	Other Consumer (10.5		5.70		450.24	448.7			
41	OTHER GROUPS					0.1	7.9		4.18	15.82	419.83	419.7			
42	Chemicals (16)					_	7.0		4.97	18.79	627.86	628.8			
44	Office Equipment					11	8.6		4.65	34.34	111.92	113.0			
45	Shipping and True	. 107				1.8	7.9		5.09	16.96	790.74	713.0			
46	Miscellaneous (4)					1.2	4.5		4.03	13.59	531.64	528.8			
	INDUSTRIAL GO					12	95		4.16	13.03	459.70	457.1			
49	Charles Land R	COUT (4		922			12.1			10.62	902.40				
51	OK (16)					22	_	_	6.43			91A.6			
59	500 SHARE MID					25	9.9	2	4.52	12.44	496.66	455.4			
63	FINANCIAL SEO	UP (124)			LA.	_		5.20	****	366.54	355.7			
62	Bents(6)			381		L5	22.5	ខា	6.72	4.81	375,49	359.5			
63	Discount Houses	<u></u>		361.				. 1	7.55	—	345.45	345.7			
65	insprance (Life) (9)		505.			! —	· I	4.45	****	584,97	505.4			354.43
66	Insurance (Compa	zite) (10	"	254.					6.04	_	253,71	253.5			173.13
67	insurance Broker:						10.6	5	4.58	12.85	632.49	645.3		654.01	468.47
68	Merchant Banks C	12)		239.				ſ	3.97	****	222.78	227.03		238.98	152.67
69	Property (54)			531.			3.7		3.68	23.49	522.55	522.5		524.39	431.12
70	Other Financial ()	183		265	68 +0	1.6	19.3	7 L	5.12	11.62	263.98	32.4	259.29	269.04	122.00
7	Investment Trusts	(107)		477.	24 +1	F	1	П	3.74	****	471.94	4781	470.45	469.78	352.91
an I	Mitning Finance (4				92 -4	19	9.4	2 (5.23	13.63	282,34	276.78	271.32		227.24
91	Overseas Traders				24 +0	12	7.7	اه	7.53	18.53	496.39	495.60		497.82	375 45
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† Flat yield. Highs and ignus record, base dates, values and constituent changes are published in Saturday Issues. A list of constituents is Brailable from the Publishers, The Flanneist Times, Bracken House, Cannon Street, London, EC4P 48Y, price 15p, by post 28p.

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Public Board and Ind.

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Shorts** (Lives up to Five Years)

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Financial Times Thursday December 22 1983

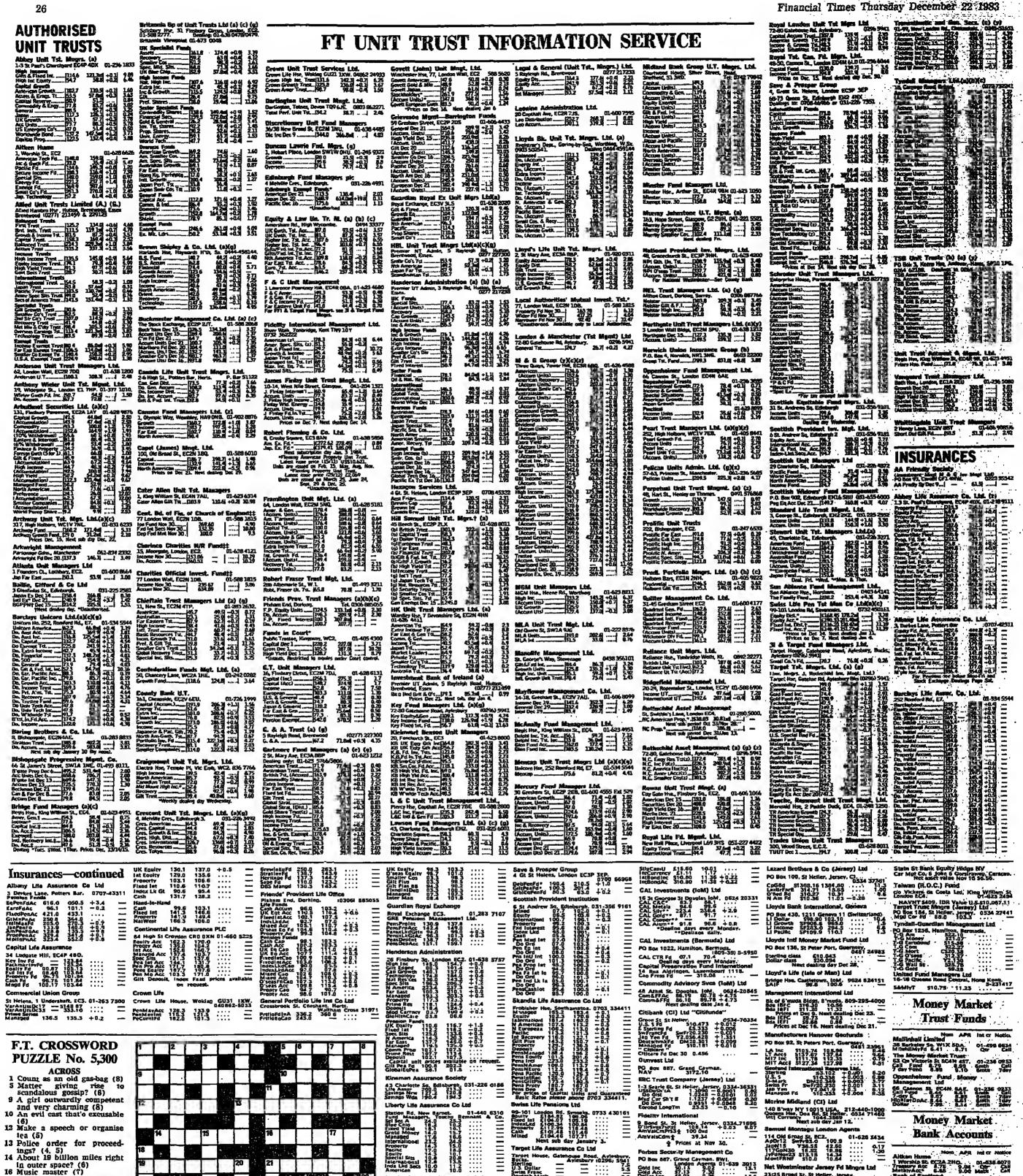
ENGINEERING

Fundamental Particles (1990)

Fundam Financial Times Thursday December 22, 1983 TRUSTS-Cont.

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1 For him to laze is unusual

17 Throw a fight and spend the night worrying about it? 2 Increase the strain (9) (4, 5)
3 Point to eradicate or delete 18 Took off for hurried round (5) trip (8)
4 Mohammedao claims I am 20 Take off a bad film, perhaps converted (7)
6 He is not bound to release a spy (4, 5)
7 Foreign friend has to lezve with another (5)
8 One girl I converted to the faith (8)
11 Part of a clutch that can easily be broken (4)

(4)
21 Large volume of transport?
(7)
22 Either sing together or refrain (6)
24 What a debater takes to demolish an opponent (5)
25 A duty we no longer owe to the church (5)

19 The gardener likes to see it

overgrown (7)
21 Fancy us to be stupid (6)
23 Result of a big blow to the ecooomy? (9)
25 Act as a paid informer (5)
26 It's looped around a dog (6)
27 A fly-by-night returns to

revel in a scene of slaughter 28 In this one endures some restraint (6)
29 Can't be fired at bosses'
order (8)

15 One has one of them, another Solotion to Puzzle No. 5.299

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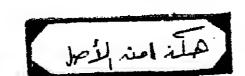
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Hope line	Pent Main Per 20	10, Saureninstie CH6301, Zig. Switzerland Baren Sirt Nec 19	PO Box 188, St. Peter Port, Guermary O481 23506. U.S. S Price Part. Sci. 60 7 20 746 E Sterring Equivalent 6,14 10 14 57 U.S. S Prot. 12 11 22 0.2 E Sterring Equivalent 1,14 97 15 47 E Sterring Equivalent 1,14 97 15 47 E S Prot. V. Dec 13 Next desing Dec. 22 Haembrib Pacific Fund Higgert, Lbd. 2110, Connacynt Center, Hong Kong, Far East Dec 21

| New Ideas | Control | Co | Jack Standson Stand

North Sea herring quota hopes fade

BY IYO DAWNA

HOPES OF a repld agreement on interim North See herring quotes faded last night when UK officials objected to a 15,000tonne quota until June, proposed for Norwegian fishermen by the European Commission.

Britain, backed by The Netherloods and Denmark, says this is near 30 per cent of the total catch, when traditionally Norway's quote has been a single-figure percentage only.

The position is further confused by the fact that Norway received a special 30.000-tonne quota last year, though this, the UK says, was a cocoff deal agreed to compensate the Norwegians for overfishing of other species by EEC memher-states.

Talks between EEC member-states resume today but the likely outcome is a delay 10 any of any herring in the North and Central sectors of the North Sea pending new Commission nego-tiations with Norway.

Ironically the British hed only accepted the historic divi-sion of herring quotas, agreed earlier this month after years of wrangling, on the under-standing a rapid provisional agrement would be reached to allow early fishing of the

he at least 155,000 tonnes for the year, the hroad figure on which the January-June figures are based. If, however, the Norwegian quota is reduced this haps with a further improvement when scientific reports on the state of stocks are published in

ingot list price by £50

BY IOHN EDWARDS, COMMODITIES EDITOR

BRITISH ALCAN ALUMINIUM cash price for aluminium rose said yesterday it was increasing yesterday by £6, to £1,088.5 a its UK and Irish Republic list-price for aluminium ingots by £50 to £1,100 per tonne. St.116.75.

This is the fifth rise in the demand. The last increase was

The latest rise still leaves the UK producer price, at ahout 71 cents a lh, well below the U.S. domestic selling price of 81.5

Under the other elements of the shareout, broadly accepted

the shareout, broadly accepted yesterday by all member-statea, the Netherlands fishermen would take 13,700 tonnes, the UK 11,980. Denmark 10,490, France 6,850, West Germany 6,600, and Be)gium 2,380.

Provisionally the Commission suggests that the total allowable catch for 1984 is likely to be at least 155,000 tonnes for

Alcan raises aluminium

The LME price, however, is sterling price for aluminium for aluminium ex-warehouse this year, reflecting hoth the (sellers option) anywhere in fall in the value of the pound agains the dollar and improved the aluminium comes from ontside the EEC and many of the brands in LME werehouses are

of poor quality.
In contrast the UK producer ents a lh, well below the U.S. price of £1.100 applies to alnminomestic selling price of \$1.5 nium, minimum purity of 99.5 per cent, of known brands delivered to works, duty paid.

-10 5900

CFTC raises stakes for self-regulation Commodity Futures |

been considered among the cbange. toughest of federal regulatory)n its eight-year Its recent actions, and to gain spreading and arbitrage husiness Kansas City in-troduced in the middle of this bowever, may alter this view. The commission is upping the stakes in its hid to obtain tougher self-regulation of flooryear a down-scaled version of the Value Line Average. Chicago and New York, howtraders by the exchanges themever, continued to dominate, in spite of an aggressive market-

ing and edvertising campaign. In past weeks it announced that the stock index futures The commission investigation markets and especially the Kansas City Board of Trade's stems from concern that floortraders to maintain voluma for examined for non-competitive trades known as "wash sales," in which neither party makes gain or loss while inflating overall volume. value hite, baye committed illegal wash sales. Also referred to as "painting the tape," a wash sale is a non-competitive trade between locals at a pre-

arranged price.
While its intention is to in-The Commission also released a 67-page report critical of the trade board for several procedural prohlems. The agency threatens to block approval of all new trade board contracts flate contract volume and thus give the impression of greater liquidity than otherwise, a wash sale may also influence price

A wash sale in stock index futures, for example, may mean that locals level out a trade at the prearranged price although unless it sees significant improvements in six months. In Kansaa City the exchange has struggled to maintain a viable stock index liquidity and the spot—the stock market itself—has shifted. volume in the face of the over-whelming lead of the Chicago

whelming lead of the Chicago

Mercantile Exchange's S&P 500

and the New York Stock Expotential of influencing a

change composite index traded market so that it temporarily tions to charge floor-trading the trade board, which largely at the New York Futures Ex- does not reflect forces of supply members, without any explana- reflected the feverish activity in

"Wash sales" examined as investigations of exchanges gain tougher stance

Detecting a wash sale io difficult, mainly because the intention of most floor-traders

BY A SPECIAL CORRESPONDENT

is to take advantage of small price fluctuations numerous times in a session.

Often a floor-trader will prevent a loss by getting out of a position at the same price at which it was put on, a move that could he mistakenly inter-

preted as a wash sale.
Furthermore, studying trads sequences in a pit may identify individuals who seem guilty of trading 10 hoost volume but proving a conspiracy is difficult,

proving a conspiracy is difficult, according to exchange compliance officials.

In Chicago the board of trada is also experiencing a stressful relationship with the commission. In publicly alring its complaints about the trade board the commission elleges that the exchange's membership disci-

tory statements.

According to floor sources the charges recommended by compliance officials include rule violations such as trading out of hours and wesh-trading in the

energy contracts.

Trading in crude oil futures began at both the trade board and the New York Mercantile Exchange on March 30. April volume in crude oil at the trade board totalled 30,539 contracts, more than double the New York exchange's 13,924 contracts. From April onward, however, downhill progress at the trade

downhill progress at the trade board has been swift.

By July trade board crude volume was just more than 8,000 contracts, whila NYMEX had more than 18,000 contracts. In November, trade board volume dwindled to 1,939 contracts, compared with 67,191 in New York

Heating-oll volume in Chicago fell from 1987 contracts in April
to only 4 contracts in October
and Nevember, whereas
NYMEX volume rose to 200,400
contracts in November, from
121,300 in April.
In spite of the lack of floor
support for energy contracts at to he acceptable.

White sugar export licences increased

the grain markets this year as THE European Commission stepped up white sugar export authorisations at yesterday's weekly tender to \$1,000 tonnes, from \$8,750 tonnes last week. The maximum export rebate was somewhat lower than traders had expected at \$38.09 European Currency Units a tonne (\$39.9 Ecz last week). The London daily way sugar price was fixed in the morning at £129 a tonne, £4 down from Tuesday's level, but London futures market prices were listle changed on the day. well as dissatisfaction with the trade board's certificate delivery mechanism, the exchange con-tinued en active marketing campaign to potential commercial There has also been talk of several brokerage firms having put up \$100,000 (£70,472) between them to provide seed money to trade the trade board's

energy complex.

This would give more incentive to floor-traders to build volume. Such traders "scalp." for a living by pouncing on price changes that occur as outside orders enter the pit.

Some grain-traders freely-admit to exceeding the outsight httle changed on the day. OFFICIAL CONTROL OF THE CAPTURE OF THE CONTROL OF T position—limits in the session.
These stand at 3m bushels in
maize, soyabeans and wheat fthe
equivalent of 600 5,000-bushel

bereaston gureau cand in Can-berra yesterday.

The committee put shorn wood output at 630.7m kilos against its previous forecast of 623.7m and dead and fell-mongered wool and wool ex-

ported on skins at 54.4m against 56.3m.
For 1982-83 the bureau estimated total production at 704m
kilos, comprising 641.6m kilos
of shorn wool and 62.4m of

other wool.

COCOA bought by Ghans Cocoa Marketing Board in the fourth week of the 1983-84 main crop season, ended on December 16, was 18,015 tonnes, the board said in Acera. Cumulative purchases for the season to date are 27,031 tonnes.

WINTER VEGETABLES will

not be in short supply over Christman and the New Year, although some prices are already twice those of last year, growers said yesterday. Supplies are 15 per cent down on last year, a bumper year, hut imports made up some of this year's shortfall, said the French Fruit and Vegetable Informa-

Arbitration sought in cotton row

BY OUR COMMODITIES EDITOR

Trading Commission has not

value line average have been

agencies bistory.

selves.

THE Association of Cotton contracts, agreed in January and to settle the dispute but re-Merchants in Europe is to seek official arbitration in its dispute with Mahfed, the Indian statecontrolled organisation, over contracts for the sale of nearly 300,000 bales of raw cotton earlier this year.

A statement from the associa-tion said it would, if necessary, go to litigation to defend ita rights and to preserve the sanctity of contracts. The dispute detes back to earlier this year when Mahfed

said it could not honour the

required export quotas. The association said this was

not the real reason. It claimed levels. that India was in reality defaulting on contracts concluded at low prices prior to the sharp rise in the world market this spring after the sharp fall in the U.S. crop.

A delegation from the associa-November with new proposals

February, because the Indian ceived ne response, apart from Government refused to give the reports that Mahled was disreports that Mahfed was disposing of the disputed cotton at the much higher current market

> The association said that after nine months of fruitless talks it has no alternative but to secure settlement by way of monetary compensation for a "major and blatant default ... which under any circumstances cannot be accepted or con-

Demand fall hits gold BY NANCY DUNNE IN WASHINGTON

THE WEAKNESS in world by 6.3m ounces.

industrial and jewellery manufecturing demand was 6 key factor in depressing gold prices in recent months, says a paper by J. Aron/Goldman Sachs precious metals research group.
It says the market has been awash with gold supplies absorbed only at lower prices. Total manufacturing demand this year is expected to decline this year is expected to decime to about 1.5m ounces, town hy almost 7m ounces, or 20 per cent, to 28.4m ounces. Gold used in electronics, dentistry and other industries has began selling as states with declined by 8 per cent. Gold severe halance of payments used in jewellery has dropped problems unloyded gold

Manufacturing needs are down in every country or region this year. U.S. gold-use has fallen from 48m ounces last year to about 4.6m this. As the price dropped, sales by Communist states declined, to about 2.3m ounces, compared to 6.7m ounces last year. Soviet sales, expected to rise, dropped to about 1.8m ounces, down

Close 137,00 142,12 137,98 135,35 133,48

131.00

Close

124.76 125.00 125.00 125.00 123.80 120.90 119.90

contracts in each commodity).

Floor sources at the board think that clearing members' surveillance of intraday posi-

tion Bureau.

PRICE CHANGES Cocenut (Phil) \$1060x Goundnut Copper Cash h grade ... £978 —0.5 £265 3 mths £1004,23 —0.8 £987.75 Raeds Copra Phill...... \$680w Soye bean (U.S.) \$517.76 Palladium oz.... 8168.00 —2 \$146.00 Platinum oz.... £271.20 —8.98 £265.56 Quicksitvert ... \$365.515 \$3 £165.515 Silver troy oz... \$14.20p +9.46 \$24.555 3 mths \$32.85p +9.46 \$24.35p † Unquotad. v Jan, w Fab. x Oec-Jan, † Per 75 lb flesk, * Ghene cocos, n Nereinal. c Cents per pound. **GOLD MARKETS** Gold rose Si an ounce from Tuesday's close in the London bullion market yesterday to finish at \$378-378\. The metal opened at \$378-378\ and traded between a high of \$379-379\ and a low of \$377\-378\. Trading was extremely quiet ahead of the Christmas hreak In Paris the 12½ kilo bar was fixed at FFr 102,600 per kilo (\$378.65 per sunce) to the after-

\$3771-3781. In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was \$378.55 at the fixing from \$375.25. In Zurich gold finiabed at \$378½-379 from \$378-378½.

gor troy ounce noon compared with FFr 103,000 (\$378.79) in the morning and FFr 102.000 (\$375.44) on Tuesday afternoon. In Frankfurt the 12½ kilo bar was fixed at DM 33,800 per kilo (S379.47 per ounce) against DM 33,385 (\$375.50) previously and closed at \$378j-379 from

Geld Buillon I fine ounce Gold and Platinum Coins 0 sc. 21 (£373;2-87334) |King Sov | \$90.91fe (£634-6444) | (£734-7634) | (£734-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7634) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7364-7644) | (£7

LONDON OIL

Latest + or — CRUDE OIL FUTURES

LONDON FUTURES rest'rday'ı +or Business close - Done Turnover: 359 lots of 100 troy ounces

\$37778-37814 (£266-2667e) \$37614-376 (£26414-26434) \$378.40 (£264.143) \$378.10 (£266.911)

EUROPEAN MARKETS

U.S. atock figures enceureged Gas
Oif to open about \$2.00 higher and it
refreened attacky in good velures
throughout the reeming. The highs
were reached on the reopening se New
York epenod very strongly, but beth
markets were unable to maintain these
levels and quickly fell.

\$ U.S. per bri 28.60 26.50 28.28 28.16 26.10 +0.29: --+0.44 28.59 +0.24 --+0.81 --+0.34 --Turnover: 3,254 (2,339) lots of 100 Tumeyor: 27 (42) lots of 1,000

212.
Malzu — (U.S., S por tonna): U.S.
No. 3 Yallow: Afloat c:1 Ohant 153,
eec 155.50, Jan 155, Fab 155, March
155, April/June 156.50, sellem. Argentine, Plate: Jan 179, April/June 161

GAS OIL FUTURES Yest'day's + or Susinas 9 ULS.

ZINC tine, Plate: Jan 179, April/June 161 sellers.

aoyabeans—{U.S. 9 por tonna}: U.9. Ne. 2 Yelfow, Cultpers: Dec 311.75, Jan 312, Feb 313, March 318.50, April 320, Aug 322, Sagt 300, Oct/Nov 271.25, Oec 275, Jan 279.50 sellum.
Soyameai—{U.S. 5 per tonno}. 44 per cent: Afloat 248, Dec 248, Jan 251, Feb 254, Maych 257, Agril 251, April/Sapt 254, Nov/March 228.50, Sellum. Pellett, Areal: Oec 273, Jan 278, Fab 280, March 269, April 254, So, April/Juna 282.90, April/Sept 259, April/Sept 259, Pellett, Argentine: Afleat 259, Oec 20/Jan 18 258, Jan 257, Feb 261, March 267, May/Sept 251, May/Oct 250, July/Sog1 249, aellers.

PARIS, Oecember 21.

Cocos—{FFr per 100 kg|: Inec 2200-2270, March 2279, Sol-2280, May 2775-2778, July 2775 bid, Sept 2265 bid, Oec 250 ask, March 2380 bid, Oec 2125-2140, Dec 2215-2235, March 2310-2325.

GAS OIL FUTURES

9 U.S. mer tonne 946,00 - 1,25/245,75-245,0 847,00 - 1,25/245,75-245,0 947,00 + 8,50/241,25-345,7 240,00 + 8,55/242,80-225,7 257,50 + 8,75/257,00 225,4 257,00 225,4 257,00 255,5 834,00 + 8,55/247,90/255,5 834,00 + 8,50/257,90/257,90

BRITISH COMMODITY PRICES **BASE METALS** SILVER

BASE METAL PRICES were narrowly mixed on the London Metal Exchange with the double acception of TIN which came under sustained selling pressure to close the late kerb et £8,672.5; the recent buffer stock support level of £8,900 was lewered to around £8,760. Other metals were little changed in extremely quiet trading. COPPER

OPPER	official	+ er	e.m. Unefficial	Ξ
igh Orde	£	£	£	£
months ettle m't athodes ash months ettlem't. action't. action't.	962.3	+5 +6 +.76 +1.25	877,8-8.5 10045 9608 866-70	-1.7 -1.7
aded at 1,005.00, erb: hig	e memine £980.50, 1 06.00, 0 fiet gra- 07.00, 0	9 Cax 81.00 7. <i>00</i> , de: 6.50,	h higher of three me 06.50, 0 three me 06.00, 0 three rec	7.00 9.50 9.50

E1,005.50, 04.80, 04.00. Kerb: higher Bride three months £1,004.00, 03.00, 02.00, 02.50, 03.00, 04.00. Turnover: 27,500 touries. TIN Official - Unofficial -High Grds & £ £ 8610-20 6535-45-62,5 8610-20 65810-80 6645 6645 6645

8580 6 +38.6 8630-8 -111 6740-5 -55 8690-700-108 8585 -58 1690-700-108 Tin — Morning: Standard: Three reachts £8,760, 40, 30, 40, 50, 45, 50, High Grade: Cash £8,640, 50, 40, Kerb: Standard: Three reachts £8,740, 30, 20, 10, Altamoon: Standard: Cash £8,530, three reachts £8,705, 8,700, 8,690, 8,700, 05, 2,700, 6,955, 90, Kerb: Standard: Three reachts £8,695, 90, 85, 60, 70. Turnover: 1,805 tonnes.

Lead-Moining: Cash £279.50, three months £287.50, 83, 89, 89.50, SS.50. Karb: Three mouths £288.50, Afternoon: Three reonths £288.50, 88, 87.50, 87. Karb: Three months £287.5, 88, Turnover: 24,350 tonnas.

a.m. + on e.m. + or Unofficial -†

807.5-8.5-1.75 608-9 +1
522.5-5 +275 625-25 +1
608.0 +1
49-75 Zinc — Meming: Three months £623, 22.50, 22.75, 23, 22.50, 23, Kerb: Three reonths (523. Altsmeon: Three months 6624, 23, 23.60, 23. Ksrb: Three months 5623. Tumover: 5,100 tonnes. **ALUMINIUM**

Atuminim a.m. + er p.m. -1
Official - Unofficial

E E E E E
Spot 1098 1 +19.5 1088-0 +6
5 months 1118.6-9 +12 116.5-7 +8.5 three months £1,118, 17.80, 17, 17.50, 18, 18, 18.50. Kerb: Three months £1,118, 18.50. Kerb: Three menths £1,118, 18.50, Attempon: Three menths £1,116, 17, 17.50, 18, 17, 16.50. Kerb: Three months £1,116.5, 17, 17.5. Turn over: 16,950 tonnes.

* Centa per pound. \$ M\$ per kilo.
† On the previous unofficial close.
Nickel — Morning: Three months
£3,345, 43, 65, Attampou: Three months
£3,340, 35, 30, 25, 20, 25, 22. Kerb:
Three reonths £3,315, 10, 05, 3,300,
05, 10, 13, 20, Turnovar: 1,806 tonnas.

were stack due to the lerthcoming Christmas breek. Minor ourchases sought in epocielist growths.

Silver was fixed \$.30 an sunce higher for apot delivery in the London building merket vesterdey of \$16.2p. U.S. cent squivedents of the fixing levels ware; spot \$76.5c, up 14c; three-month 900,5c, up 14c; elx-month 924.4c, up 14.2c; and 12-month 973.7c, up 18.2c. The metal spened at \$137-\$165.0 (871-875c) and closed at \$127-\$615.p (873-877c). POTATOES SILVER aution + or LM.E. + er per troy oz. price Unoifie'i 6pot61a.20p +8.80 613.5e +8.6 Men! h

3 montha.668.25e +8.46 667.75p

2 mentha.668.25p +8.80 -

12 mentha.668.25p +8.80 -

LIME - Silver (2,000 oz contract) -

Three months 627.75p (631p). Turnover, May....

Nov.....

Nov.....

Fol.....

Fol.......

Fol.....

Fol.....

Fol.....

Fol.....

Fol.....

Tumover: 215 (108) fors of 10,000 e2. Morning: Large three months 632.0. Karb: large three months 632. Afternoon: large three months 628.0, 27.0, 26.0. Kerb: large three months 626. 27.

COCOA Opening ericos were the lewest of the day and during an active artemoen session Futures reilled etrongly to close near the highs, reports Gill and Outlus. | Constant | Constant

Ouring an active session, prices moved shergly lower en trada and coremission house pressure, reports foresel Bumhare Larebert. Suggert levels were penatrated us buying gradually evegomated and long liquidation triggement dealer and atop-loss salling. Prices reliated at the close as trade short-covering in noerbys lusgired a lete recovery.

Januery ... 2018-15 -25.5.8030-71
March ... 1941-42 -67.511663-28
May ... 1855-57 -30.01885-40
July ... 1815-80 -26.611840-91
Seot ... 1745-87 -18.61798-70
Mov ... 1750-70 -16.61768-80
January ... 1730-37 -18.61748-80 9alea: 5,070 (5,142) lots of 9 tonnea. IGII indicator prices (IL.S. cents per pound) fer Oec 20. Cemp daily 1979 140,02 (141,52]: 15-day averago 140,17 (180,04)

GRAINS Business dons: Whest: Jen 120.25-20.10, March 123.45-3.15, May 125.40-0.20, July 129.35 only. Sept 113.00 only. Nov 115.00-5.85. Sales: 215 lets of 100 tonnos. Barley: Jan 120.75-20.80, March 123.50-3.30, May 125.20-5.15. Sept and Nov untraded. 3elea: 52 lots of 100 tonnas.

Mnth. Close — close —

WOOL FUTURES SYDNEY GREABY WOOL—Close (In order: buyer, saller, business). Australian cents per kg. Occ 545.0, 552.0, 551.0, 561.1; 561.4; 561.0, 561.0, 561.1; May 379.0, 580.0, 579.0-578.0; July 589.0, 593.0, 0c1 582.0, 583.0, 583.0; Occ 580.0, 590.3-590.0; Merch 600.0, 605.0, untraded: May 508.0, 620.0, untraded, Salea: 84, LONDON NEW ZEALAND CROSS-RREDS—Close (in order buyer, numer, busines), New Zealand corns per key, Deg 400, 415, 414; Jan 406, 412, nii; March 418, 424, 424; May 430, 431, 434-431; Aug 445, 447, 451-447; Oct 454, 448, 455-447; Dec 444, 448, 459, 481, 455, 467, 458; May 462, 464, 473-466, Seles: 122.

Sales: 875 (1,180) Tota of 40 tonnes. RUBBER

E per tonne
Jan,...... 832-850
Fob...... 840-844
Jan Moh 840-842
Jet 847-860
B47-860
B47-860
B47-843
B47-843
B48-841
B48-843
B

SMITHFIELD—Pence per pound. Beef
—Scatch killed sides 82.0 to 88.0.
Lamb—English amail 68.0 to 74.0.
medium 66.0 to 72.0. heavy 64.0 to 66.0.
imported New Zealand Pt. 58.3 to 80.0.
PX 58.5 to 57.0. Pork—English under
100 lbs 50.5 to 56.0, 100-120 lba 49.0
to 65.0, 120-160 lbs 42.0 to 54.0. COVENT GARDEN — Prices for the bulk of produce, in sterling per package accept where otherwise stated, imported produce: Satsumas—Spania: 3.80-4.00, Clementines: Corsican: 2.50-

INDICES FINANCIAL TIMES Des. 20 Dec. 19 M'th ago Y'ar ago 894,46 894.67 684,21 238,16 (Base: July 1 1952-100) REUTERS

Dec. 21 Dec. 20 M'th ago 'Y'ar ago 70.9 1976,8 1017.4 1574.0 MOODY'S Dec. 20 Dec. 19:M'th ago Yearago 1055,8 1054.0, 1046, 4 | 995,4 (December 31 1831-100)

DOW JONES Dow | Dec. | Dec. | Month | Year Jenes 20 | 18 | 290 | ago Boot | 158.67 | 158.77 | 158.04 | 159.95 Fut a | 141.75 | 141.65| 144.05 | 158.88 (Sese: Occamber 31 1974-100)

AMERICAN MARKETS =

NEW YORK. December 21
Heaing oil was bigher on e foracast of a cold wave gripping the
contral states and taoving northeast
rage-rad Heinold Commodities. Copper
prices were nominally higher, mostly
on arbitrage buying support against
atarling. Aluminium move s' little
higher en a better demand in
physicals which led to erbitrage buying and light trade short-covering.
Coffee prices continued their precipitous decline en carry-over selling
following an export quotr intersass;
or the close; there were no indemental meas (n the market.)

PLATINIMA 80 troy our \$/troy ou

789.0 878.0 878.0 878.0 878.0 883.8 802.8 971.5 900.0 916.0 937.0 942.0 937.0 942.0 937.0 942.0 951.2 942.0 965.3 943.0 983.0 983.0

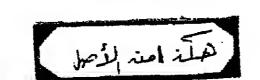
S)-CUR

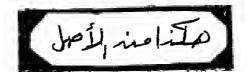
DNEY

COCOA 10 tonnes, 5/tonnes Low 2460 2460 2446 2435 2420 Prev 2451 2438 2436 2430 2513 2388 SUGAR WORLD "11" 112,000 fb, Jan L96 7.27
March 8.44 8.45
Mey 8.80 8.82
July 9.11 9.11
Sopt 9.32 9.25
Oct 9.50 8.51
Jan 10.25 10.09
March 10.46 10.42
CHICAGO Lose 6.96 8.27 8.60 6.93 8.13 -8.26 10.01 COFFEE "C" 57,000 lb, cents/lb LIVE CATTLE 40,000th Closs High 50:60 67.25 66:70 67.07 66:40 68:80 8t 64:70 65:25 62:66 63:20 LIVE HOGS 30,000tb, cents/fb

High 1.0w 43.30 63.05 63.35 63.20 64.75 64.45 66.10 65.80 67.45 68.50 70.85 79.55 High 78.20 79.25 78.95 74.80 73.21 Cione High 337.2 337.6 339.0 339.4 338.0 338.6 312.6 318.2 252.4 254.2 303.6 305.0 310.4 311.0 High Low Prev 22.30 28.72 22.76 23.95 24.94 22.55 23.36 23.95 23.9 Close High 1 52.000 bs.
Close High 1 52.92 64.75 6 March 64.15 65.05 64 May 65.70 65.50 62 August 66.77 65.50 64 SOYABEANS 5,000 burnin, cents/60-ib bushel GOLD 100 troy oz, \$/troy oz BOYABEAN MEAL 700 tons, 1/ton

431.5 HEATING OIL 42,000 U.S. gaffons, cents/U.S. gations SOYABRAN Off 60,000 th, cents/th. ORANGE JUICE 15,000 tb, cents/fb





CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES -

Dollar firm, but below best

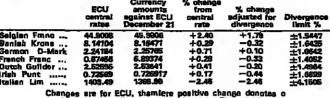
licent,

The retreat in late European trading followed publication of the U.S. Government's early fiash estimate of fourth quarter Gross National Product. The figure of 4.5 per cent was much lower than market expectations of around 6 per cent, although dealers pointed out that previous flash estimates have been revised upwards later.

flash estimates have been upwards later.
Remarks by Mr Donald Regan,
U.S. Treasury Secretary, that
moderating economic growth and
low lofisition seem to point
towards lower interest rates,
also helped to pull the dollar
back during the afternoon. This
was partly offset however by the
announcement from the U.S. was partly offset however by the announcement from the U.S. Treasury on Tuesday of its \$150n mini refunding package, which is expected to keep upward pressure oo rates.
The dollar rose to DM 2.7715
from DM 2.7660 against the
D-mark; FFr 8.46 from FFr
8.4475 against the French franc;
SwFr 2.2140 from SwFr 2.2050

mouths aga.

Sterling was the main beneficiary from the late easing of the dollar, after a day when the pound displeyed a generally more cenfident took. It opened DM 2.7705 compared with little changed of \$1.4190-1.4200. DM 2.7657 on Tuesday. There fairly near the day's low of was no intervention by the \$1.4180-1.4190, but rose to a peak of \$1.4275-1.4285 in the afternoon,



THE POUND SPOT AND FORWARD One month 1.4180-1.4285 1.7710-1.7840 4.41-4.45 79.95-80.80 14.21-14.32 1.2640-1.2720 2.92-3.86²-187.76-188.76 225.00-226.80 11.97-11.15 11.99-12.08 11.492-11.57 333-336 77 65-77 85

sigisn mte je for convertiblo frencs. Financial Iranc 81,35-81.45. Ix-month lerward dollar 0.49-0.54c dis. 12-month 0.98-1,08c dis.

OTHER CURRENCIES

Dec. 21	1		1	£
Dec. 81	£			Note Rates
Argentina Peso	81,10-81,17	21,87-91,90	Austria	27,60-27,90
Australia Dollar	1,6015-1,6068	1,1255-1,1275	Beiglum	80,70-81,50
Brazil Cruzeiro	1,351.0-1,859.0	950-965	Benmark	14,17-14.31
Finland Markke		5.8880-5.8900	France	11,95-18,07
Greek Drachma	141,20,141,80	99,45-99,95	Germany	3,8112-3,951
long Kong Dallar	11084-11.094	7.7846 7.7875	Italy	2660-2590
ran Rial	125.75	88.50	Japan	338-337
(trwaltDinar(KD)	0.4177 0.4183	O.28628-8,29668	Notherlands	4,394-4,434
uxombourg Fr.	80,30 80,40	56,45-56,47	NOTWEY	11,05-11,18
Walaysia Dollar:	3,3225-3,3326	2,3336-2,3360	Portugal	184-196
lew Zealand DIT.	e.1915-2.1965	1,5445 1,8468	Spain	222-23034
saudi Arab, Riyal	4.0685.4.9645	3.4810 3.4813	Sweden	11,46-11,55
ngapore Dollar	3.0315 3.0390	2.1890 2,1315	Switzerland	3,1254-3,1554
h,African Rand	1,7890-1,7410	1,2225-1,2240	United States	1,41-1,48
LA.E. Otrham.	5.2305-5.2380	3.6720-3.6780	Yugoslavia	106-218

The dollar was firm on the foreign exchanges yesterday, but trading was very thin ahead of the Christmas holiday, and the U.S. currency finished below its highest levels of the day. Speculation about 0 tightening of Federal Reserve monetary policy as a result of inflationary pressures caused by fast economic growth continued to underpin the dellar.

The retreat in late European trading followed publication of

D-MARK — Trading range against the dollar in 1983 is 2.7780 ie 2.3320. November overage 2.6847. Trade weighted index 124.2 against 127.8 six

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 21	% ohanga from central rate	% change adjusted for divergence	Divergence limit %
elgian Fmnc	44.9008	45.9906	+2.40	+1.79	+1.5447
anish Krons	8.14104	8.16471	+0.29	-0.32	±1.6425
ermon D-Mark	2.24184	2.25765	+0.71	+0.10	±1.0642
rench Franc	0.87456	6.89374	+0.28	-0.33	± 1.4052
utch Gullder	2.52595	2.53541	+0.41	-0.20	±1.4964
ish Punt	0.72589	0.726917	+0.17	-0.44	±1.6699
allen Lim	1403.49	1398.56	-2.45	-2.46	±4.1505
Changes	sre for E	CU, thamlere	positive chi	anga donotes	0

Dec 21	Day's aproad	Close	One month	% P.B.	Three months	% p.s.
UKt	1.4180-1.4285	1.4220-1.4230	0.13-0.18c dis		0.30-0.35dis	
Irelandt	1.1180-1.1220	1.1205-1.1215	0.19-0.15c pm	1.82	0.57-0,52 pm	
Canada	1,2490-1,2503	1.2495-1.2500	0.12-0,10c pm	1.06	0.17-0.15 pm	
Nethind.	3.1110-3.1160	3.1140-3.1160	1,16-1.06c pm	4.28	3.12-3.02 pm	3.94
Belgium	56.40-56.50	56.45-56.47	par-10 dis			-0.86
Denmark		10.02-10.02-	par-2ore die			-0.22
W. Gar.	2.7665-2.7770	2,7710-2,7720	0.96-0.91pf pm		2.77-2.72 pm	
Portueal	T32.55-133.15	132.25-133.15			300-650dis -	
Spain	158.58-158-90	168.80-158.90	80-110c dia		315-370 dia	
taly	1,681-1,683	1,681-1,682	10-10-lim dis			-7.3
Norwsy	7.8050-7.8125	7.8075-7.0125	1.65-1.95ore dis		4.90-5.20dis	
France	8.4470-8.4800	8.4575-8.4625	1.45-1.65c dis		7.00-7.50die -	
Bwedon	8,1050-8,1100	8.1050-8.1100	0.90-1.10ore dis		2.90-3.10dis -	
Japan	234.65-235.50	234.85-234.95	0.72-0.68y pm		2.12-2.07 pm	
	19.51-18.58%	18.55-19.56	7.30-6,60gro pm		21-16 pm	3.9
Austris						
8witz,	2.2075-2.2150	2.2135-2.2145	1.00-0.95c pm	3.23	3,12-3.07 pm	5.6

Belgian rate is fer convortible francs. Financial franc 57.20-57.25, **CURRENCY RATES**

CURRENCY MOVEMENTS

хсн	ANGE	CROSS	RATES

COLD IN COLD C	HICOU CHE									
Dec. 21	Pound Striling	U.S. Dollar	-Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Oulld	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	0.708	.1;463	3,945 ·	334.3	12.05 ··	5,160	4,433	2891.	1.777	80,35
U.S. Dollar		1,	2,772	234.9	8.46	6,814	5,115	1681.	1.840	56,46
Deutschomark	0,253	0.551	11,80	84,75	3.049	0,798	1.124	605,1	0,450	80.37
Japanese Yan 1,000	2,992	4.255		1000.	35.99	6,424	15,88	7155,	5,310	240.4
French Franc 10	0,881 ·	1,182	3,276	277,8	10.	2,618	3,685	1886.	1,477	66.79
8whs Franc	0,817	0,458	1,252	106,1	5.818	1.	1,407	75e.0	0,564	65,51
Dutch Guilder	0,228	0.321	0.890	75,42	2,714	0.711	1,854	538,4	0.401	18.13
Itelian Lira I 000	0,418	0.595	1.650	100,8	0,031	1.317		1000	0.746	35.61
Canadian Dollar	0,568	0.801	2,220	188,1	8,770	1.775	6.494	1346.	2,816	45,28
Belgian Franc 100	1,845	1.770	4,810	416.0	14,87	3.820	5.519	8876.		100,

EURO-CURRENCY INTEREST RATES (Market closing rates)

Uec. OI	Sterling	U.S. Dollar	Canadian Dollar	Outon Builder	Swiss Franc	D-mark	France France	Italian ura	Belgia Conv.	rano Fin.	Yon	Danish Kronor
Short term	O Ole 916-914 Ole-918 Ole-954	0.4-568 9.3-6.3- 1018-1058 1018-1058 1014-1018 1018-1034	8-84 812-9 612-9-3 812-913 612-10-4 10-12-10-19	04-57g 51g-54g 6-g-6-g- 6-g-6-g- 6-g-6-g- 5-g-5-g	156-178 112-154 48-416 43-46 43-46 43-46	04-5-6-5-6-5-6-6-6-6-6-6-6-6-6-6-6-6-6-6-	164e-124e 164e-125e 194e-125e 194e-14 134e-14 144e-144e 144e-146e	20-80 17-181 ₂ 17-175 ₄ 171 ₄ -18 177 ₈ -185 ₉ 181 ₄ -181 ₉	01g-10 634-1014 01g-10 111g-1154 1114-1154 1114-1114	61g-10 63g-101g 103g-103g 107g-111g 111g-113g 111g-111g	07g-71g 7-71g 01g-7 53g-63g 67g-61g 65g-63g	1374-14 1174-1154 1156-1178 1156-1178 11-1112 11-1112

MONEY MARKETS

Easier tone in London

Interest rates had a slightly 2 (15-53 days) et 9 per cent; easier tone on the London money fam Treasury bills in band 3 market yesterday as sentiment (34-53 days) at 84 per cent; improved as a result of the more fam local suthority bills in band confident performance of sterlages bills in band 3 at 84 per ceut; formenth interbank money false Treasury bills in band 4 was unchanged at 94 per cent, (64-91 days) at 84 per cent; and and discount houses buying false bank bills in band 4 or 84 per cent. easier tone on the London money market yesterday as sentiment improved as e result of the more confident performance of sterling on the foreign exchanges. ing ou the foreign exchanges. Three-month interbank money was unchanged at 9½ per cent, and discount houses buying retes for three-month eligible bank bills were also steady at 8½ per cent, but rates on three-month sterling certificates of deposit eased to 9½ per cent from 9½ per cent.

The Bank of England forecast a money market shortage of around £550m, which was revised to £500m at noon, and back to

UK elearing banks' base lend-ing rate 9 per cent (since October 4 and 5)

£550m in the afternoon. Total help provided by the authorities was £623m through bill purchases in the morning and afternoon, plus some late assistance.

Before lunch the Bank of England brought £390m bills by way of £54m bank bills in band 1 (up to 14 days maturity) at 9½ per cent; £110m bank bills in band

FT LONDON INTERBANK FIXING

LONGON INTERBANK FIXING 11,00 a.m. December e1)

	3	months	U.S.	dolle rs
	bid	10 1/4		offer 103/6
11.4	0	months	U.S.	dollare

offer 10 1/2 bid 103/8 The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid end offered rates for Sillen quoted by the merket to the reference banks at 11 a.m. each working day. The banks are Mational Westminster Back, Bank of Tokyo. Deutsche Bank, Sengus Netionale da Paria and Morgan Guararty Tries. bills were purchased, through £6m Treasury bills in band 1 at 9th per cent; £108m bank bills in band 1 et 9th per cent; and

per cent.

MONEY RATES

In the afternoon another £173m

per cent.

Late assistance of around £60m

was also provided.

In Amsterdam the Dutch central bank offered e two-week special advance to the money

Io New York the Federal Re-serve injected \$350m into the banking system by buying Treasury bills when Federal funds were trading at 91 per

6,46875 6,53125

6,28105

439-41

LONDON MONEY RATES = 87g. 6 83-814 811-814 ---813 678 678 8-618 8-84

934.934 954.935 964.935 10-934 10-934 04g-10 9[2-10급

ECGO Fixed Rate Export Finance Schema IV Avarage Rate for interest period November 2 to December 8 1983 (inclusive) 6.360 per cent. Local authorities and finance houses seven days' motice, others seven days' fixed. Finance Houses Base Rates (outlished by the Finance Houses Association). 9% per cent from December 1 1983, London and Scottish Clearing Sank Raiss for lending 6 per cent. London Deposit Rates fer sums at seven days' notice 5-per cent. Trecoury Sills: Average tender rete of discount 6.8997 per cent. Cartification of Tax Deposits (Series 5). Deposits of 100,000 and over hold under one months 94 per cent; three-als months 95 per cent: six-12 months 10% per cent. Under £100,000 Sh per cent from Oscember 14. Useosits held under Bories 4-5 10 per cent. The rate fer all deposits withdrawn 19.5 per cent.

MONEY RATES

market from temorrow until January 6. The size of the ad-vance, which carries an interest rate of 5% per cent, will be

171g-1775 0.35 173g-1734 103g-103g

1756-18

1018-1118

1112-10 1938-1838 1256-1258 1636-1038 1612-1284

NEW YORK (Lunchtime) Treasury Bills 6.95 6.97 6.15 FINANCIAL FUTURES Firmer trend

of Christmas. Sterliog was higher at DM 3.9350 from DM 3.9260 while the Swiss franc DM 3.9200 while the Swiss franc slipped to DM 1.2525 from DM 1.2530. Within the EMS the Belgian franc was unchanged at DM 4.9090 per BFr 100 and the French franc eased slightly to DM 32.735 from DM 32.755. Prices finished ou a firmer oote in the London International Floancial Futures Exchange yesterday. Initial trading had pushed values lower but oews pushed values lower but oews later in the day of o 4½ per cent rise in U.S. GNP in the fourth quarter ef this year prompted a rally. The provisional increase io output was wall below the market's estimate of e 6-7 per cent rise. It suggested that the Federal autherities may not oeed to let interest rates rise in order to contain the inflationary

French franc eased slightly to DM 32.735 from DM 32.735.

BELGIAN FRANC — Trading range against the dollar in 1983 is 56.56 to 45.96. November average 54.53. Trade weighted index 89.2 against 92.8 six months age.

The Belgian National Bank did not intervene in the foreign exchange market in the week up to last Monday. The Bank spent the equivalent of BFr 8.650 the previous week. Central banks have not intervened to any great extent just recently owing to the proximity ef Christmas and o reduction in volume. The dollar rose to BFr 56.4825 from BFr 56.35 and sterilog rose to BFr 80.23 from BFr 79.98. Within the EMS the D-mark slipped 10 BFr 20.3762; and the French franc was lower at BFr 6.6675 from BFr 6.6720. order to contain the inflationary pressures normally associated with a sharp economic recovery. The turnaround in sentiment prompted a good deal of sbortcovering and after epening et 89.59 down from 89.61 at Tuesday's close, the March Euro-

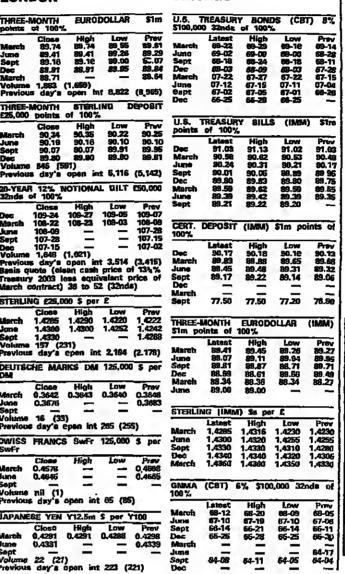
£ in New Yerk—Latest

			٠				
	Ţ	Dec	2 01		Pre	wio	78
\$pa 1 ma 3 ma 16 ma	orth onth onthe	1,424 0,14-0 0,50-0 1,00-1	.18	iis O	16-(54-(), 18),30	dis
£ to	rward	ratas	240	quo	nd	jin .	U.S

LONDON	CHICAGO
THREE-MONTH EURODOLLAR SIm	U.5. TREASURY BONDS (CBT) 8' \$100,000 32nds of 100%
Close High Low Prev	Latest High Low Pre
March 89,74 89,74 89,55 89.61 June 89,41 89,41 89,26 89,29	March 68-22 69-29 69-16 69-1
	Juno 69-02 69-09 68-00 68-2 Sept 68-18 68-24 68-18 68-1
Sept 89.16 89.16 89.00 \$7.07 Dec 88.87 88.91 88.85 88.84	Sept 68-18 68-24 66-18 68-1 Dec 68-03 68-09 68-03 67-3
March 88.71 — — 38.64	March 07-22 67-27 67-22 67-1
/olume 1,883 (1,659)	June 07-12 67-15 07-11 07-0
Previous day's open Int 8,822 (8,965)	Papt 67-02 87-05 67-01 68-2 Dec 56-25 55-28 66-25
THREE-MONTH STERLING DEPOSIT 25,000 points of 100%	
Close High Low Prev	U.S. TREASURY BILLS (IMM) ST
March 90.34 90.35 90.22 90.25	points of 100%
tune 90.19 90.16 90.10 90.10	Latest High Low Pre
Sept 90.07 90.07 89.91 89.96	Dec 91.03 91.13 91.02 91.0
Dec 89.80 89.80 89.80 89.81	March 90.58 90.62 90.53 90.4
Volume 846 (551)	June 90.24 90.31 90.21 90.1
revious day's open int 5,116 (5,142)	Sept 90.01 90.06 89.89 89 9 Dec 89.80 89.83 89.80 89.7
D-YEAR 12% NOTIONAL BILT ESO,000	March 89.59 89.62 89.59 89.5
2nds of 100%	June 89.39 89.42 89.39 89.3
Close High Low Prev	Sept 89.21 89.22 89.20 -
Dec 109-24 109-27 109-05 109-07	
farch 108-22 108-23 108-03 108-09	
una 108-09 — — 107-28	CERT. DEPOSIT (IMM) \$1m points
Sept 107-28 — — 107.15	100%
Dec 107-15 — — 107-02	Latest High Low Pre
/okume 1,648 (1,021)	Dec 90,17 90,18 90.16 90.1
revious day's open int 3,514 (3,415)	March 89.83 89.88 89.65 89.6 June 89.45 89.48 89.31 89.3
lasis quote (elean cash price of 131%	
ressury 2003 less equivalent price of	Sept 89.17 89.22 89.14 89.0
farch contract) 36 to 52 (32nds)	March = = =
TERLING £25,000 \$ per £	Sept 77.50 77.50 77.20 76.8
	DEPT 11.00 11.00 11.20 10.0
Close High Low Prev	
me 1.4300 1.4300 1.4252 1.4242	THREE-MONTH EURODOLLAR (IMM
Sept 1,4330 — — 1,4268	51m points of 100%
/olume 157 (231)	Latest High Low Pre
revious day's epen int 2,184 (2.178)	March 89.41 89.45 89.26 89.2
	June 89.07 89.11 89.94 89.9
EUTSCHE MARKS DM 126,000 \$ per	Sept 89.81 89.87 88.71 89.7 Dec 88.59 88.61 89.66 89.4
MAR	
Close High Low Prev	March 88.34 88.38 88.34 88.2 June 89.00 89.00 — —
terch 0.3642 0.3643 0.3640 0.3648	Julio 63,00 63.00 — -
une 0,3676 0,3683	
Sept — — — —	STERLING (IMM) Se per £
Johanne 16 (33)	Latest High Low Pre-
revious day's epon int 265 (255)	March 1,4285 1,4316 1,4230 1,423
WISS FRANCS SWFr 125,000 5 per	June 1,4300 1,4320 1,4255 1,425
WFF	Sept 1,4330 1,4330 1,4310 1,428
	Dec 1.4340 1,4340 1,4320 1,430
larch 0.4578 - 0.4588	Merch 1.4360 1.4360 1.4350 1,433
una 0.4645 — — 0.4665	

dollar contract rose to finish at the day's high of 88.74.

Gill prices were also firmer, reversing a weaker trend earlier in the day as opening values reflected a softer finish to the U.S. bond market on Tuesday. The March price epened at 108-05 down from 108-09 on Tuesday but rose to a high of 108-23 before finishing et 108-22. Short sterling prices finished on e firmer oete. A small reduction in cash rates together with a better performance by sterling belped to push values firmer. The March price opened et 90.25, unchanged from Tuesday and closed at 90.34. Trading volume in all centrects was comparatively low ahead of the Christmas break.



64-11

84-08

64-05

U.S \$125,000,000

Midland International Financial Services B.V. (Incorporated with limited liability in the Netherlands) **Guaranteed Floating Rate Notes 1989** Convertible until 1983 into 10% Guaranteed Bonds 1989 Guaranteed on a subordinated basis as to payment of principal, premium (if any) and interest by

Midland Bank plc



For the six months from 22nd December, 1983 to 22nd June. 1984 the Notes will carry an interest rate of 101%% per annum. On 22nd June, 1984 interest of U.S. \$274-82 will be due per U.S. \$5,000 Note for Coupon No. 9.

Agent Bank: Morgan Guaranty Trust Company of New York



U.S. \$200,000,000 Bankers Trust Overseas Finance N.V.

> **Guaranteed Floating Rate** Subordinated Notes Due 1994

For the three months 22 December, 1983 to 22 March, 1984 the Notes will carry an interest rate of 1011/16 per cent. per annum and interest payable on the relevant interest payment date 22 March, 1984 against Coupon No. 6 will be U.S.\$27.02 per U.S.\$1,000 note and U.S.\$270-16 per U.S.\$ 10,000 note.

By Morgan Guaranty Trust Company of New York, London Agent Bank



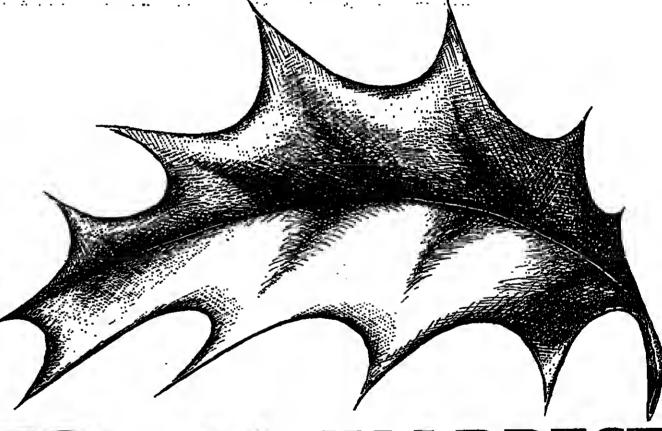
Banque Nationale d'Algérie U.S. \$25,000,000

Floating Rate Notes 1985

In accordance with the provisions of the Agent Bank Agreement between Banque Nationale d'Algerie and Citlbank, N.A., dated as of December 20, 1978, notice is hereby given that the Rate ef Interest has been fixed at 11½% per annum and that the interest payable on the relevant Interest Payment Date, June 22, 1984 against Coupen No. 11 will be USSS6.87.

December 22, 1983, Londen By: Citibank, N.A. (CSSI Dep1), Agent Bank

CITIBAN



FOR THE SHARPEST COMMENT

It can be a real problem keeping up to date during the Christmas period.

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\$45,000,000

Misr Finance (Cayman) Limited

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Bayoue Misz

(Incorporated as a joint stock company in the Arab Republic of Egypt) Issue price: 100%, of the principal amount of the Notes

The following have agreed to subscribe or procure subscribers for the above Notes:

Dillon, Read Overseas Corporation First Chicago Limited Al UBAF Banking Group

Banque Arebe et Internationale d'Investissement (B.A.I.I.)

European Arab Bank Group Chemical Bank International Limited Lloyda Bank International Limited

Arab International Bank, Cairo Arab African International Bank-Cairo Bank of Credit and Commerce International (Overseas) Limited Egyptian American Bank S.A.E.

Banque Indosnez Irving Trust Company

The Mercantile Bank of Canada

The Notes constituting the above Issue have been admitted to the Official List by the Council of The Stock Exchange, subject to the issue of the temporary global Note. Interest is payable semi-annually in arrears in July and January, the first payment being made in July, 1984. Full particulars of the Issuer, the Guarantor and the Notes are available in the Extel Statistical Service and may be obtained during usual business hour; (Saturdays excepted) up to and including 5th January, 1984 from the Brokers to the Issue:

22nd December, 1983

Cazenove & Ca., 12 Tokenhouse Yard, London EC2R 7AN

VONTOBEL EUROBONDINDIZES WEIGHTEO AVERAGE YIELDS PER 20 DECEMBER 1983



Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on 19th December, 1983, U.S. \$83.66 Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

THE UNLISTED

SECURITIES MARKET It is proposed to publish a Survey on the above subject on Monday, 12th March, 1984. For further details and odvertising rates please contact: HUGH SUTTON,

FINANCIAL TIMES LIMITED. 10 CANNON STREET, LONOON EC4P 4BY. TEL: 01-248 8000 EXT. 3300

INTERNATIONAL CAPITAL MARKETS

Elders IXL taps Euromarkets

BY PETER MONTAGNON IN LONDON

trial and agricultural group, is ar- hattan said yesterday. ranging a U.S.S720m, three year loan in the Euromarkets to pay for its purchase of Carlton and United

The loan is to be led by Chase Manhattan Asia, Citicorp. Paribas Asia and Wardley Australia. It will bear interest at a margin of % per

ELDERS DXL the Australian industrial and agricultural group, is arbattan said yesterday.

Europeenne à Neutrons Rapides.

The loan is to be increased to at

Elders announced earlier this month that it had raised its stake in Carlton United to 57.4 per cent and intended to launch a cash and formal share offer for the remainer in January.

• Further evidence of the appetite cent over Singapore interbank of- of international banks for loans fered rates for the first year, rising from Western European borrowers successively to % per cent in the has come with the success of a second year and % per cent in the £30m credit for Centrale Nucleaire

least £40m after more than £25m was raised in syndication.

Such a response is rare in the syndicated loan market even for a relatively small deal such as this. The credit bears an initial margin of % per cent rising in stages to % per cent in the course of its 10 year life. It is led by County Bank, Credit Lyonnais and Sanwa Bank and guaranteed by French, German and Italian electric utilities.

Y20bn bond for Asian Development Bank

BY MARY ANN SIEGHART IN LONDON

THE ASIAN Development Bank dealers covering their short posimade its 12th foray into the Samu-tions: rai market vesterday with a Y20bn bond led by Nomura Securities. The 12-year issue has an average life of 10.32 years and pays a semi-

annual 7.6 per cent coupon at a price of 99.35. This gives a yield to maturity of just over 7.8 per cent. Turnover was minimal in the Eurodollar secondary market. Prices

many rose by up to k point in quiet trading. 1983

47.15

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Prices in Switzerland and Ger-

FT INTERNATIONAL BOND SERVICE

of a few bonds edged up through

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The

| Second Part | ## Change on Changes of the T. on work E

OTHER STRAGENTS

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Farm Cradit 12 Vs 90 C5

Farm Cradit 12 Vs 90 C5

Farm Cradit 12 Vs 90 C5

T51 189 109 Vs 82 Vs 8- 0- 12.54

Farm Cradit 12 Vs 90 C5

T51 189 109 Vs 82 Vs 8- 0- 12.57

T8 MTG Casp 12 Vs 80 C5

Gardina C 12 Vs 80 C5

Farm Cradit 12 Vs 80 C5

Farm PLOATING DATE

Datesper on they week | 1574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 | 2574 |

| Control Comp. | Control Comp. | Control Comp. | Control Comp. | Control Cont

given that the rate of interest has been fixed at 10^{3,2} per cent. per annum and that the interest payable on the relevant interest payment date, 22nd June, 1984, against Coupon No. 3 will be U.S. \$546.46. S.G. Warburg & Co. Ltd.

U.S. \$125,000,000

New Zealand Steel Development Limited

Issue of up to

U.S. \$300,000,000

Guaranteed Floating Rate Notes 1992

unconditionally and irrevocably guaranteed by

New Zealand of which U.S. \$225,000,000 has been issued to date.

For the six month period 22nd December, 1983 to 22nd June, 1984

In accordance with the provisions of the Notes, notice is tereby

Agent Bank

Exterior International Limited (Incorporated with limited liability in the Caymon Islands)
Guaranteed Floating Rate Notes Due 1996
Unconditionally guaranteed by

Banco Exterior de España, S.A.

(Incorporated with limited liability in Spain)

Natice is hereby given that the Rate of Interest for the Initial Interest Period has been fixed at 1012% per annum and that the interest payable on the relevant Interest Payment Date, June 21, 1984, against Coupon No. 1 in respect of US\$10,000 nominal of the Natice will be 115559.44

December 22, 1983, London By: Citibank, N.A. (CSSI Dept), Agent Bank CITIBANCO

All of these securifies have been sold. This announcement oppears as a matter of record only

December, 1983

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COMPAQ COMPUTER CORPORATION

6,000,000 Shares

Common Stock

L. F. ROTHSCHILD, UNTERBERG, TOWBIN

E.F. HUTTON & COMPANY INC.

BEAR, STEARNS & CO. ALEX, BROWN & SONS THE FIRST BOSTON CORPORATION DILLON, READ & CO. INC.

A. G. BECKER PARIBAS DONALDSON, LUFKIN & JENRETTE BLYTH EASTMAN PAINE WEBBER

GOLDMAN, SACHS & CO.

HAMBRECHT & QUIST

KIDDER, PEABODY & CO.

DREXEL BURNHAM LAMBERT LAZARD FRERES & CO.

LEHMAN BROTHERS KUHN LOEB

MERRILL LYNCH CAPITAL MARKETS SMITH BARNEY, HARRIS UPHAM & CO.

PRUDENTIAL-BACHE

ROBERTSON, COLMAN & STEPHENS

SALOMON BROTHERS INC ALLEN & COMPANY MOSELEY, HALLGARTEN, ESTABROOK & WEEDEN INC.

F. EBERSTADT & CO., INC. A. G. EDWARDS & SONS, INC.

WERTHEIM & CO., INC. DEAN WITTER REYNOLDS INC. MONTGOMERY SECURITIES PIPER, JAFFRAY & HOPWOOD

ROTHSCHILD INC. THOMSON MCKINNON SECURITIES INC. TUCKER, ANTHONY & R. L. DAY, INC.

OPPENHEIMER & CO., INC. **BACON STIFEL NICOLAUS**

UNDERWOOD, NEUHAUS & CO. BASLE SECURITIES CORPORATION

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WILLIAM BLAIR & COMPANY

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CABLE, HOWSE & RAGEN

CAZENOVE INC. COWEN & CO. CROWELL, WEEDON & CO. DAIN BOSWORTH DOFT & CO., INC. EPPLER, GUERIN & TURNER, INC. FIRST OF MICHIGAN CORPORATION

ROBERT FLEMING GRUNTAL & CO.

FOSTER & MARSHALL, AMERICAN EXPRESS INC.

JOSEPHTHAL & CO.

FURMAN SELZ MAGER DIETZ & BIRNEY

LEGG MASON WOOD WALKER

JANNEY MONTGOMERY SCOTT INC. McDONALD & COMPANY

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PRESCOTT, BALL & TURBEN, INC. ROONEY, PACE INC.

RAUSCHER PIERCE REFSNES, INC. ROTAN MOSLE INC. SANYO SECURITIES AMERICA INC.

ROBINSON HUMPHREY/AMERICAN EXPRESS INC SCHNEIDER, BERNET & HICKMAN, INC.

ULTRAFIN INTERNATIONAL CORPORATION

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STEPHENS INC. SUTRO & CO. WOOD GUNDY INCORPORATED

RICHARDSON GREENSHIELDS SECURITIES INC.

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BANQUE INDOSUEZ

COMPAGNIE de BANQUE et d'INVESTISSEMENTS, CBI

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HAMBROS BANK HILL SAMUEL & CO.

PIERSON, HELDRING & PIERSON N.V.

PICTET INTERNATIONAL

J. HENRY SCHRODER WAGG & CO.

This announcement appears as a matter of record only

COMUNE DI MILANO

ECU 30,000,000 1983 - 1990

Medium term loan for the financing of public works

GARIPLO

CASSA DI RISPARMIO DELLE PROVINCIE LOMBARDE LONDON BRANCH

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